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INSIDE
SPECIAL SECTION
UNDERGROUND

COAL INDUSTRY NEWS

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Inflation Cure Seen as Answer To Utility Woes

By GENE SMITH

NEW YORK — The Secretary of Energy and a Republican Congressman from Illinois insisted at a seminar in the New York Hilton Hotel that the key to solving financial problems of the electric utilities and boosting coal conversion lies in controlling inflation and bringing down interest rates to "reasonable levels."

Replying to a question at a press conference following his prepared talk, Energy Secretary James B. Edwards said that "the marketplace will determine the pace of coal conversions. . . . If money costs are lower that is the best assistance we can give utilities (in their efforts at coal conversion.)"

Representative Thomas J. Corcoran, Rep.-Ill., told the seminar on "The Financial Condition of Electric Utilities" sponsored jointly by United States National Committee World Energy Conference and Edison Electric Institute:

"The U.S. Government is finally seriously and steadfastly moving to control inflation and bring interest rates down to reasonable levels. Reduced inflation will ehlp tremendously. A one percent decline in interest rates currently can save electric utility customers nearly $200-million a year. And, reducing by one-half the burden of general regulation of business — estimated at near five percent of GNP — could save electric utility customers more than $1.5-billion annually."

Secretary Edwards told the gathering that "bailing out the electric utility industry is not on our schedule."

In an enumeration of potential solutions to the utilities' financial problems, Edwards said that "the licensing time for new plans, both nuclear and coal, (must be shortened) by streamlining and stabilizing the regulatory process." He also called for changing the Clean Air Act

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NEWS ROUNDUP

Elk River Resources, Old Ben Coal and Utah International have dropped out of the proposed $150-million coal handling terminal that was planned for Baltimore. Pittston, leader of the group, insisted "this doesn't mean it's dead deal . . . . It's just on hold." MAPCO, the other partner, remained for a week longer and then quit also. The search is reportedly continuing for new partners. Elk River indicated it had "doubts about the strength" of demand for coal from Europe, while Old Ben insisted that "equal or better alternatives exist." CSX, the railroad that expected to ship the coal to the new port facility, expects the withdrawals to produce "some minor delays in the project" that was ex-

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MAPCO Pulls Out of Marley Neck Port; Pittston Remains "Still Very Interested"

COAL GAS SLEUTH. A unique, new protective device for detecting corrosive alkali metals in coal-derived gaseous snyfuels has been developed at the General Electric Research and Development Center at Schenectady, N.Y. Displaying the "business end" of the detector is its inventor, Dr. Andrew S. Zarchy, a chemical engineer at the Center. The device's detecting element is a hot platinum filament surrounded by a cylindrical grid. Placed in a fuel gas stream, the platinum filament ionizes alkali metals that come in contact with it and repels the ions to the grid (which is negatively biased with respect to the filament). The number of ions striking the grid correlates directly with the amount of alkali metal in the fuel gas.

By PAUL FEINE

WASHINGTON — Less than 24 hours after MAPCO Chairman Robert Thomas had told reporters here last Wednesday that his firm and Pittston Company, the last two surviving sponsors of the biggest coal export facility being planned for the Baltimore area, would continue to try to find new partners to participate in the troubled project, the Tulsa-based MAPCO abruptly pulled out of the project.

The terminal, at Marley Neck, Maryland, near Baltimore, was slated to have 15-million tons of annual coal export capacity by 1985, with expansion potential to double that level. The loading facility was to have been sponosred by a consortium including Pittston, MAPCO; Elk River Resources, a subsidiary of The Sun Company; Old Ben Coal Company, a unit of Standard Oil Company of Ohio; and General Electric's Utah International subsidiary.

Last Thursday MAPCO's assistant vice president for public relations, Paul Hart,

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Thomas Urges Gas Decontrol Delay to 1982

By STEVE MARCY and DONNA SMITH

WASHINGTON — Robert E. Thomas, chairman of multiple-resource energy company Mapco, says he is optimistic about coal, that oil decontrol has led to recent production increases and that natural gas must be completely decontrolled before the proper price relationship among the three fuels shakes out.

But Thomas said he thinks President Reagan should wait until after the 1982 elections before tackling the hot issue of gas decontrol.

The Mapco chairman told a meeting of reporters that Reagan should receive the nation's economic and budget problems before tackling the natural gas issue.

Thomas called gas "the Cadillac" of fuels and said it ought to be priced above

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Gorsuch Defends Budget Against Foes' Charges

By STEVE MARCY

WASHINGTON — Environmental Protection Agency Administrator Anne Gorsuch promises that the 1983 budget review does not constitute a "hidden plan to gut the agency."

But an alliance of environmental groups and their sympathizers on Capitol Hill contend that budget drafts show a 60 per cent reduction in funding — counting inflation — from Carter Administration 1982 proposals.

With deadlines approaching for the enforcement of laws designed to assure the safe disposal of toxic substances, EPA faces a doubling of its workload in the face of staff and money reductions — if a budget similar to the early documents is enacted by Congress, sources say.

Gorsuch told electric utility representatives attending a meeting on environmental licensing that primary air-quality standards — those designed to protect human health — must continue to be based on need alone without submitting

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INSIDE

EXPANDED COAL USE TOUTED as means of avoiding "impending disaster" in New England. (Page 3)
NATIONAL POCAHONTAS MINE WINS 28th Mine Rescue & First Aid honors. (Page 3)
GOV. THORNBURGH SUPPORTS PLAN to boost Pennsylvania coal production. (Page 7)
FLUOR COMPLETES $23-MILLION STORAGE BARN near Gillette, Wyo., for Sun Company unit. (Page 7)

FACTS & FIGURES

Domestic

	10/17/81	10/10/81	10/18/80
Production			
Bituminous, recent week	18,860	18,710	15,350
Bituminous, year to date	626,410	—	652,703
Anthracite, recent week	116	109	126
Anthracite, year to date	4,165	—	4,351
Railroad carloadings			
Bituminous, recent week	137,668	133,640	115,825
Bituminous, year to date	4,457,917	—	4,583,851
Anthracite, recent week	471	444	676
Anthracite, year to date	15,772	—	23,437

Production data in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration-Weekly Coal Reports.

Production by states, bituminous and lignite	10/10/81	10/3/81	10/11/80
Eastern			
Alabama	656	675	510
Georgia	—	—	1
Illinois	1,604	1,582	1,202
Indiana	561	602	480
Kentucky:			
Eastern	2,741	2,800	2,099
Western	1,184	1,070	829
Total, Ky.	3,925	3,870	2,928
Maryland	74	82	88
Ohio	560	690	815
Pennsylvania	2,088	2,112	1,909
Tennessee	310	230	250
Virginia	1,180	1,220	902
West Virginia	2,680	2,733	1,992
Total, eastern	13,638	13,796	11,077
Western			
Alaska	12	15	15
Arizona	215	225	235
Arkansas	10	11	13
Colorado	512	438	315
Iowa	15	14	11
Kansas	3	3	10
Missouri	119	125	128
Montana	710	810	592
New Mexico	340	322	274
North Dakota	295	328	253
Oklahoma	41	39	108
Texas	610	575	508
Utah	170	154	250
Washington	90	95	101
Wyoming	1,930	2,075	1,520
Total, western	5,072	5,229	4,333
Total, United States	18,710	19,025	15,410

In short tons (000). Source. U.S. Dept. of Energy, Energy Information Admin.-Weekly Coal Report.

	8/81	7/81	8/80
Coal Labor			
All employees			
Coal mining	256.8	252.8	244.0
Bituminous & lignite	253.3	249.3	240.5
Production employees			
Coal mining	212.3	208.6	200.9
Bituminous & lignite	209.2	205.5	197.6
Hours, weekly average			
Coal mining	41.7	N.A.	40.0
Bituminous & lignite	41.7	N.A.	40.0
Earnings, hourly average			
Coal mining	12.04	N.A.	10.91
Bituminous & lignite	12.08	N.A.	10.95
Earnings, weekly average			
Coal mining	502.07	484.01	436.40
Bituminous & lignite	503.74	486.01	438.00

Source: U.S. Dept. of Labor, Bureau of Labor Statistics-Employment and Earnings.
N.A.-Not Available

Transportation: railroad	10/10/81	10/3/81	10/11/80
Eastern district			
Bessemer and Lake Erie	1,637	2,050	1,611
Baltimore and Ohio	8,295	9,079	6,682
Chesapeake and Ohio	16,112	17,906	15,055
Consolidated Rail Corp.	8,429	8,948	8,739
Norfork and Western	22,599	22,436	17,817
Pittsburgh & Lake Erie	55	20	302
Western Maryland	2,196	2,425	2,459
Other, eastern district	80	18	177
Total, eastern district	59,403	62,884	52,842
Southern district			
Clinchfield Railroad	2,183	2,311	1,978
Illinois Central Gulf	5,451	4,937	5,086
Louisville & Nashville	17,664	17,365	12,660
Southern Railway	9,642	10,753	8,774
Other, southern district	13	1	5
Total, southern district	34,953	35,367	28,503
Western district			
Atchison, Topeka & Santa Fe	1,765	1,669	1,466
Burlington Northern	21,586	22,578	20,334
Chicago & North Western	321	414	509
Denver & Rio Grande Western	4,636	3,942	3,630
Kansas City Southern	101	103	102
Chicago, Mil., St. Paul & Pacific	645	886	496
Missouri-Kansas-Texas	108	94	95
Missouri Pacific	5,281	5,516	3,926
Chicago, Rock Is. & Pacific	—	—	—
St. Louis-San Francisco	—	—	—
Soo Line	84	86	52
Union Pacific	4,693	4,225	3,957
Other, western district	64	123	50
Total, western district	39,284	39,636	34,617
Total, all districts	133,640	137,887	115,962

		Week	**Ended**
Transportation: inland rivers	10/17/81	10/10/81	10/18/80
Monongahela River, Lock 3	415,226	400,154	305,958
Allegheny River, Lock 2	13,800	25,100	15,100
Ohio River, Montgomery Lock	361,864	410,417	208,306

In short tons through locks.
Source: U.S. Army Corps of Engineers, Pittsburgh District.

		Monthly	
	5/81	4/81	3/80
Bituminous and lignite			
Consumption			
Electric power utilities	44,908	43,604	41,377
Coal user stocks of coal			
Electric power utilities	147,095	163,859	170,304
Anthracite			
Consumption			
Electric power utilities	91	73	86
Coal user stocks of coal			
Electric power utilities	5,008	5,035	3,725

Note: Data given in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Report.

Coal User Production	**Recent**	**Previous**	**Yr. Ago**
Major direct users:			
Electric utilities (Mil. Kwh., Weekly, Oct. 17, 1981)	41,446	41,501	40,743
Steel (Short tons, thousands, Weekly, Oct. 17, 1981)	2,070	2,095	2,132
Cement, Portland, U.S. shipments (Short tons, Monthly, Aug. 1981)	6,827,972	7,079,153	7,079,053
Other significant output:			
Aluminum (short tons, Month, Aug. 1981)	416,745	425,501	426,054
Passenger car production, total (Month ended Sep. 1981)	455,077	408,310	531,912
Machine tools: (Monthly)			
Net new orders ($000, Aug. 1981)	214,000	194,800	224,450
Shipments ($000, Aug. 1981)	328,200	367,100	310,900

		Monthly	
	9/81	8/81	9/80
Price Indexes			
Coal	510.6	507.3	472.1
Anthracite	620.5	595.7	478.4
Chestnut, Pa., mine	524.3	518.9	426.7
Buckwheat No. 1, Pa., mine	691.4	677.4	N.A.
Bituminous	506.2	503.6	471.0
Domestic sizes	619.5	618.9	584.9
Retail dealers	293.1	292.8	276.7
Industrial sizes, spot	436.4	434.2	398.7
Steam electric utility	139.4	138.8	123.4
Manufacturing	281.5	274.7	252.4
Metallurgical, high volatile	757.3	757.3	704.2
Metallurgical, low volatile	744.4	746.7	704.1
Industrial sizes, contract	143.2	142.5	133.9
Steam electric utility	174.9	173.2	161.8
Manufacturing	127.1	126.7	120.2
Metallurgical, high volatile	105.8	105.8	99.2
Coke (foundry by-product)	470.3	470.3	430.6
Birmingham, Ala.	485.2	485.2	439.6
Milwaukee, Wis.	470.8	470.8	420.4
Detroit, Mich.	N.A.	N.A.	423.1
Indianapolis, Ind.	484.3	484.3	437.7
St. Louis, Missouri	316.1	316.1	286.8
Philadelphia, Penna.	315.6	315.6	285.8

N.A. - Not avaialble

FACTS & FIGURES

Exports & Imports

EXPORTS

	Quantity in short tons			**Dollar Value**			**Avg. Value, per short ton**		
Bituminous coal, low volatile blends to make coke No. 5213110	6/81	5/'81	6/'80	6/'81	5/'81	6/'80	6/'81	5/'81	6/'80
Japan	1,295,689	1,174,885	2,298,851	78,747,600	66,798,681	133,967,532	60.78	56.86	58.28
Italy	563,410	219,543	411,525	35,390,208	13,724,736	20,514,551	62.81	62.52	49.85
Canada	297,755	125,416	662,114	17,207,577	6,014,258	38,281,749	57.79	47.95	57.82
Brazil	147,502	—	249,033	9,353,227	—	15,041,960	63.41	—	60.40
Spain	125,592	45,151	56,616	6,947,160	2,156,389	3,176,026	55.32	47.76	56.10
Germany, F.R. (West)	114,013	81,786	112,264	7,041,817	4,629,091	5,826,572	61.76	56.60	51.90
Korea, Rep. (South)	110,654	—	79,562	5,116,855	—	4,363,771	46.24	—	54.85
Yugoslavia	98,251	—	105,091	5,921,008	—	5,407,361	60.26	—	51.45
Total, above	2,752,866	1,646,781	3,975,056	165,725,452	93,323,155	226,579,522	60.20	56.67	57.00
Total, other nations	300,826	439,385	1,928,002	16,822,722	23,303,232	99,421,335	55.92	50.76	51.57
Total, all nations	3,053,692	2,086,166	5,903,058	182,548,174	115,626,387	326,000,857	59.78	55.43	55.23
Bituminous coal, others No. 5213120									
Canada	698,144	1,230,041	1,397,937	32,608,279	56,590,363	56,396,840	46.71	46.01	40.35
Denmark	393,921	305,195	—	19,646,910	14,583,094	—	49.88	47.78	—
Japan	386,230	487,007	32,094	17,938,487	22,477,761	1,742,830	46.45	46.15	54.30
France	361,410	508,408	333,998	15,891,111	22,003,856	11,962,046	43.97	43.28	35.81
Netherlands	214,444	142,130	59,865	10,194,315	5,088,275	2,378,570	47.54	35.80	39.73
China, Tiawan	193,547	—	—	8,310,901	—	—	42.94	—	—
Italy	185,457	144,154	106,412	8,293,546	6,431,490	3,788,008	44.72	44.62	35.60
Spain	161,172	504,531	117,530	6,647,834	21,314,667	4,068,827	41.25	42.25	34.62
Total, above	2,594,325	3,321,466	2,047,836	119,531,383	148,489,506	80,337,121	46.07	44.71	39.23
Total, other nations	223,671	503,024	760,190	11,270,731	23,295,193	31,576,334	50.39	46.31	41.54
Total, all nations	2,817,996	3,824,490	2,808,026	130,802,114	171,784,699	111,913,455	46.42	44.92	39.85
Lignite No. 5213130									
Total, all nations	2,977	4,672	4,382	532,723	826,011	888,378	178.95	176.80	203.66
Coal coke for use as fuel No. 5213148									
Total, all nations	200,347	82,853	210,437	12,118,931	5,229,285	12,998,006	60.49	63.12	59.23

	Quanity in short tons			**Dollar Value**			**Avg. Value, per short ton**		
Petroleum coke, except calcined No. 5213150									
Japan	142,239	196,964	110,816	7,008,046	10,286,256	4,414,159	49.27	52.22	39.83
Netherlands	114,341	142,822	151,109	5,223,021	6,762,952	6,461,084	45.68	47.35	42.76
Total, above	256,580	339,786	261,925	12,231,067	17,059,208	10,875,243	47.67	50.18	41.52
Total, other nations	324,254	426,134	540,748	15,338,786	21,503,060	21,109,352	47.30	50.46	39.04
Total, all nations	580,834	765,920	802,673	27,569,853	38,552,268	31,984,595	47.47	50.33	39.85
Compositions for fuel No. 5213100									
Total, all nations	73	186	108	9,776	28,561	13,728	133.92	153.55	127.11
Anthracite No 5213170									
Korea, Rep. (South)	247,541	58,893	90,765	7,637,414	1,831,682	2,636,548	30.85	31.10	29.05
Total, other nations	35,594	111,297	92,947	2,429,201	6,562,756	6,672,990	68.25	58.97	71.79
Total, all nations	283,135	170,190	183,712	10,066,615	8,394,438	9,309,538	35.55	49.32	50.67
Bituminous coal No. 5213120									
South Africa	125,555	63,913	64,441	3,112,518	1,534,546	1,485,375	24.70	24.01	23.05
Total, other nations	144	20,837	—	2,890	1,001,190	—	20.07	48.05	—
Total, all nations	125,699	84,750	64,441	3,115,408	2,535,726	1,485,375	24.78	29.92	23.05
Coke suitable for fuel No. 5213140									
Total, all nations	30,092	84,554	60,538	2,096,964	6,676,042	5,210,715	69.69	78.96	86.07
Compositions for fuel No. 5213160									
Total, all nations	680	87	6,884	38,467	3,030	270,046	56.57	34.83	39.23
Coal, incl. lignite, except peat No. 5213180									
Total, all nations	12,795	133	39,712	603,637	11,785	1,199,124	47.18	88.61	30.20

WHERE & WHEN

A CALENDAR OF EVENTS OF MEETINGS OF INTEREST TO THE COAL AND OTHER ENERGY-RELATED INDUSTRIES

Nov. 12-13—2d Annual Conference on Clean Air—"Clean Air and Industry—1982 and Beyond," sponsored by Inside E.P.A. Weekly Report and McGraw-Hill Conference Center at Sheraton Washington Hotel, Washington, D.C. Information: McGraw-Hill Conference & Exposition Center, 1221 Avenue of the Americas, Suite 3677, N.Y., N.Y. 10020. Telephone: 212-997-4930.

Nov. 17—**Seminar on Successful Energy Facility Siting** at Rosslyn Westpark Hotel, Arlington, Va. Sponsored by Government Institutes. Also, seminar on **Coal Conversion Decision-Making for Industry,** Nov. 20, at Rosslyn Westpark Hotel. Information: Government Institutes, Inc , 966 Hungerford Drive, No. 24, Rockville, Md. 20850. Telephone: 301-251-9250.

Nov. 30-Dec. 2—**Workshop on Surface Subsidence Due to Underground Mining.** Information: Dr. Syd S. Peng, West Virginia University, College of Mineral & Energy Resources, Dept. of Mining Engineering,

118 White Hall, Morgantown, W. Va. 26506. Telephone: 304-293-5695.

Dec. 2-4—**"Elements of Supervision,"** a three-day management orientation program at Billings, Mont. Information: Rocky Mountain Industrial Relations Counselors, 1401 Saulsbury St., Denver, Col. 80215. Telephone: 303-233-0981.

Dec. 7-11—**Symposium on Surface-Mined Land Reclamation** at Hyatt Regency Hotel, Lexington, Ky. Information: University of Kentucky College of Engineering Office of Continuing Education & Extension. Telephone: 606-257-3971 or Don Graves, Washington, D.C. 202-224-1165.

Dec. 9-11—**Seminar on Current Blasting Practice** by Drs. Calvin J. Konya and Edward J. Walter, Dallas, Tex. Information: Dr. Calvin J. Konya, Precision Blasting Service, P.O. Box 189, Montville, Ohio 44064. Telephone: 216-474-6700.

Consol Capital Investments Begin Paying Productivity Dividends

By SIMON DRESNER

In June this year, representatives of one of Germany's largest mining companies, Rheinbraun, gathered with officials of Consol, Conoco's coal subsidiary, in Germany and at Consol's head offices south of Pittsburgh

Together they hammered out a long-term sales agreement between the German firm and Consol for the development of up to five large underground coal mines in southwestern Pennsylvania, expected to produce 12½ million tons of coal per year.

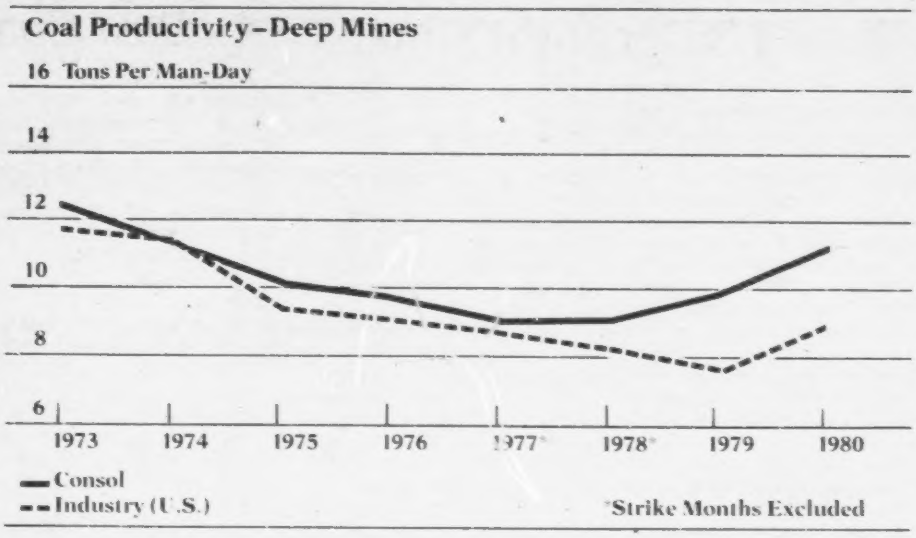
Earlier this month, members of the press had gathered in downtown Baltimore to hear about a $110-million plan for new coal-handling facilities designed to make Baltimore harbor a major coal export terminal for Consol. These two projects reflect the company's move to meet the growing demand from European nations for steam coal. Part of the reason for this is the improving productivity in the mines.

"Productivity determines our ability to compete in world markets," says B.R. "Bobby" Brown, Consol's president and chief operating office.

"Coal is a world commodity. The United States is competing with Canada, Australia, South Africa, and Poland to supply coal to the industrialized nations."

In the last few years, European nations have sharply increased their purchases of coal from eastern U.S. mines which produce over 10 tons per man-day versus 2 to 3 tons per-man-day for English and German mines. This makes the average price of U.S. coal attractive to European nations — $25 a ton, compared to $70 a ton for German or British coal — even after shipping costs are added.

And U.S. coal has a further competitive edge in Europe over South African and Australian coal because the eastern U.S. coal is of high quality and transportation costs are favorable. "We can compete in terms of productivity, and we are becoming a major supplier to Europe," says Brown.



Miners and machines have been the focus of company programs aimed at reversing the dismal 50 percent decline in U.S. coal productivity that began in 1969 and did not turn around until 1979.

Consol has led the industry in this remarkable turnaround, with productivity improvements at its deep mines starting in 1978 and at its surface mines in 1975.

This productivity upswing is continuing.

In the first three months of 1981, Consol's underground mines yielded 11.4 tons of coal per man-day, up from 11.2 tons in 1980 and 9.1 tons in 1977. Similarly, the company's surface mines produced 20.3 tons of coal per man-day during the first three months of this year.

There have been many factors contributing to the productivity gains.

Brown cites the high level of capital investment for equipment and facilities, as well as for safety, training, and engineering programs. He also points to intensive management development programs, improved work time, better maintenance engineering, efficiency improvement programs, closing of unproductive mines, work force reductions, and installation of longwalls as reasons for the productivity improvements.

Longwall mining systems, alone, have made a substantial impact on the company's productivity.

A longwall system makes repeated cuts across the coal face in long passes, allowing the roof to collapse behind the system as it moves forward. Miners are protected beneath a row of massive steel roof supports which are advanced manually with each pass of the cutting head.

In some Consol mines, longwalls are able to recover far more coal than by continuous mining machines. And a longwall system has a maximum cutting performance of 15 tons of coal per minute compared to 10 tons per minute by a continuous mining machine.

The impact a longwall system can have on productivity is very notable. For instance, the addition of a second longwall at the McElroy Mine in northern West Virginia was a major reason for increasing the mine's productivity between 1978 and 1980 from about 8 tons per man-day to nearly 20 tons per man-day.

But longwalls aren't the only reason Consol's mines have been producing more, Brown asserts.

"Some of our mines don't have any longwalls, simply because it's not practical to mine with those systems under certain conditions. Yet, we have made significant increases in productivity at some of these mines," he says.

Brown attributes the increases at non-longwall operations to the company's comprehensive productivity improvement program.

"At some mines, the answer may be reducing absenteeism, at others new mining equipment is in order, and at other mines, better training is the key. There's no magic solution to improving productivity that would work across-the-board at our mines. Each operation must be analyzed with its own specific circumstances taken into consideration," Brown noted.

"At some mines, the answer may be reducing absenteeism, at others new mining equipment is in order, and at other mines, better training is the key."

There are some across-the-board programs that do contribute to mining productivity, however. They include improved maintenance engineering practices aimed at reducing costly equipment downtime and the company's training program for first-line supervisors which develops the foreman's ability to work with his crew to improve safety and productivity.

Since men rely so heavily on machines to mine coal, a Maintenance Engineering Department was established four years ago to pinpoint equipment breakdowns and their causes.

Consol mines coal at over 300 locations in its deep mines, and the foremen at each operating face report on mechanical failures that caused delays. The data is fed into a computerized system that identifies mechanical problems each month.

"Our maintenance reporting system is one of the first and the best in the industry," says Robert H. Minor, vice president and general manager, Non-Mining Operations.

"It was a revelation to many people that the big breakdowns were not slowing us up as much as the little failures. Occurrences such as clogged water sprays and ruptured hydraulic hoses on mining equipment and electric cables were causing a multitude of brief delays. Individually, they didn't appear significant but, added together, they had tremendous impact on productivity."

These particular problems were resolved by the Maintenance Engineering Department along with many similar recurring breakdowns which were identified through the maintenance reporting system.

Other boosts to productivity have come from detailed engineering studies, as, for example, the establishment of the most effective pit dimensions at surface mines and improvements in the blasting pattern to remove overburden which hides the coal seam.

Improvements also have been made to the highly productive longwall mining systems, Minor notes. He recalls that the early longwall mining machines were out of production up to 20 working days when the machine was moved from one block of coal to a new block.

"Now," he says, "it takes us less than ten working days, thanks to improved roof support measures and more careful planning of the move."

Good management is another key ingredient in the effort to improve productivity. Consol has designed a training program for first-line supervisors that helps foremen work with their crews to improve productivity safely.

The eight-day Fundamentals of Supervision program covers such topics as leadership, building teamwork, handling complaints, and mine economics. The first three days of the course are conducted at Consol's Pittsburgh headquarters, where foremen meet with Brown and other managers to discuss problems and solutions. The remaining five days are taught in the employee's region.

Consol has found that good communications is essential to maintain an effective work force.

Hourly employees must be fully informed of any changes in the work situation, and problems must be given quick attention. Management consistency, fairness, and an emphasis on rules of conduct have all helped to turn around Consol's productivity.

Two major impediments to increased productivity are the Federal Coal Mine Health and Safety Act of 1969 and the enactment of rigid state mine reclamation laws in the mid-1970s.

Although the Federal Mine Health and Safety Act may have contributed to an improvement in safety, complaince with its resulting regulations has caused extensive production delays.

New rules on roof supports, ventilation, and rock dusting have disrupted mining routine, often causing the loss of production from an entire mine or shift as work was halted to comply with regulations.

"Thousands of pages of regulation have been written in an attempt to make application of the law 100 percent certain," says Brown.

"We need some relief from such excesses." Strict compliance with detailed rules has made it difficult to meet actual conditions of health and safety, which vary at different times and at different locations in the mines. "More flexibility in enforcement is needed," Brown says.

"Many of the deep mine regulations do not contribute to safety," Brown adds. "And some even reduce safety because they require additional people in the mines, which increases the possibility of accidents. However, since our productivity turned around, we've also experienced an improvement in safety in terms of the number of accidents per tons of coal produced."

Consol recently assessed the effectiveness — and cost — of deep mine federal health and safety regulations in a report written after two years of study and analysis.

It was found that 40 percent of the increase in the price of coal between 1969 and 1979 was due to productivity declines resulting from compliance with the 1969 Act.

Consol's study recommends that regulatory agencies should set safety goals for miners and let those who know the job best — the mine operators — decide how to meet the goals.

Enforcement should not be punitive; teams of inspectors should work with miners on safe work practices, behavior, and motivational problems.

Also the Act's interim standards should be reviewed because many of them are confusing, lower productivity, increase costs, and do not improve safety.

"The industry has spent over $12-billion since 1969 to comply with deep mine health and safety regulations," says Brown. "But if we spend another $12-billion over the next ten years, let's make sure we get the proper benefits from our safety dollars."

For the future, Brown sees a continuing need for technological changes. The coal-slurry transportation system, in which crushed coal is mixed with water and pumped out of the mines, is one example.

The system breaks the transportation bottleneck that has long hampered mine productivity. Conoco and Consol has pioneered in developing a slurry system, now being perfected at the Loveridge Mine in northern West Virginia.

"We have good coal miners," says Brown. "Their work ethic is high, better than that of European labor. They take pride in their jobs, and we will continue to help them do their job by giving them good training and properly engineered equipment."

Editor's Note: The above was reprinted from Conoco '81, the magazine of Conoco, Inc.

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INSIDE SPECIAL SECTION TECHNOLOGY

COAL INDUSTRY NEWS

November 16, 1981 Coal's National Newspaper Volume 5, Number 30 $1 a Copy; $24 a Year

White House Balks on Eminent Domain Issue

By STEVE MARCY

WASHINGTON — The President's Cabinet Council on Natural Resources and the Environment could come to no decision late last week on whether to support legislation granting eminent domain authority to coal slurry pipeline projects.

After an all-afternoon wrangle, the council finally put the issue to the President for his personal decisions, informed sources reported. The decision had reportedly been in his lap at least once before, but this time he must come to a decision, sources say, because the Administration is due to testify on the issue Tuesday before the House Interior Committee.

Expected to testify in favor of a bill now before Congress is the Interstate Commerce Commission, an independent agency. It would regulate that pipeline owners could charge for transporting coal.

The Department of Energy has reportedly recommended that the administration back the bill and is also scheduled to testify before the House panel. Expected to speak for the administration, however, is the Interior Department, which is reportedly either divided or leaning against the issue.

Also not in favor of the legislation is the President's Council of Economic Advisers (CEA) which fears that the lower costs of piping coal will will be pocketed by pipeline owners instead of being passed

Continued on Page 4

NEWS ROUNDUP

"We didn't know how greedy the railroads would be." That's the comment of Carl E. Bagge, president of National Coal Association before the Senate Commerce Committee's surface transportation subcommittee as he joined other coal industry representatives in charging that deregulation of the railroads is having a disastrous effect on coal and other bulk shippers. The railroads hauled more than 500-million tons of coal in 1980, roughly two-thirds of total output. Bagge called on Congress to pass new legislation to counteract some of the new railroad rules and to encourage construction of coal slurry lines. Robert W. Lundgren, executive vice president of Detroit Edison, said the new railroad rules have "substantially" raised coal rates and "thereby increased prices for electricity customers."

For the first time, the Government plans to enforce the Subsidies Code and bring official complaints accusing foreign governments of unfairly subsidizing steel exports to the U.S. While Commerce Secretary Baldrige declined to identify the offenders, it was reported that France, Belgium, Luxembourg, Roumania and South Africa would be included. As expected, EEC denounced the action, stating: "The European Commission was extremely disappointed to learn of the intention of the U.S. Department of Commerce to take a step that

Continued on Page 8

Coal to Fire 83.5% of Bay State's Power

By ROBERT E. BEDINGFIELD

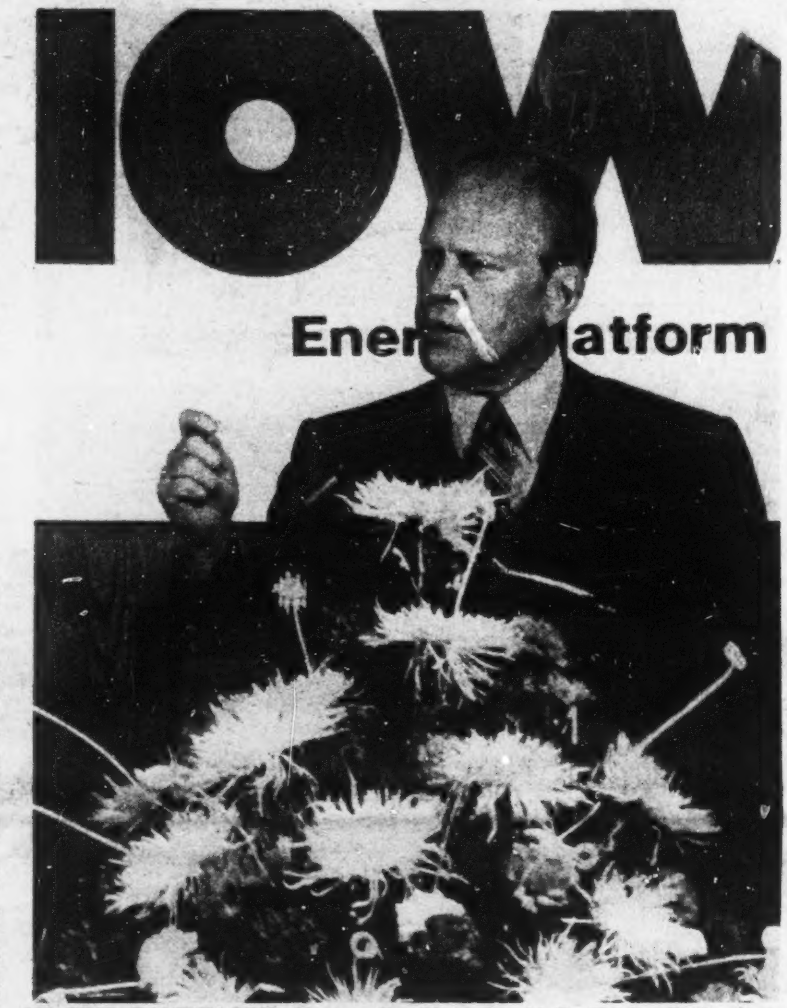
BOSTON — The Massachusetts Energy Facilities Siting Council has advised Governor Edward J. King that the state's 6 major electric utilities have notified it that they believe they have potential for converting 3,551 megawatts of existing capacity from oil-to coal-burning by the mid-1980s and a total of 3,854 m.w. by 1990.

If all of the companies adhere to their conversion schedules as requested by King last Spring (CINews, April 6), coal-fired units will be providing 83.5 percent of the Bay State's electric energy in the next 9 years.

New England Electric System, the largest of the utility complexes, already has completed conversion of two of three units at Brayton Point, outside Fall River, to coal-buring and expects to have the third unit burning coal by the end of this month. The three units have a capacity of 1,164 m.w.

NEES's Massachusetts Electric sub-

Continued on Page 4



ON COAL BANDWAGON: Former President Gerald R. Ford calls for better production and utilization of nation's coal at Coal Now II Conference. (Remarks on Page 22)

Virginia Coal Companies to Finance New $285-Million Tidewater Terminal

By CARL CAHILL

CHESAPEAKE, Va. — Six of Virginia's largest coal companies told the Virginia Port Authority they will finance a state plan to build a coal terminal at Portsmouth capable of exporting 25-million tons a year, according to Glenn J. Sedam, VPA chairman.

The 6 companies which ship more than 40-million tons of coal through Hampton Roads annually, rejected another plan to build a coal pier in Suffolk.

A Portsmouth city councilman, Morton V. Whitlow, called the action "a positive economic development for Portsmouth." He said the City Council welcomes the pier as long as the state confined itself to a 400-acre site, provided tax revenues and relocated rail lines to serve the pier.

All three provisions he mentioned are included in proposed legislation which gives VPA the right to condemn land in Portsmouth.

Suffolk Mayor George H. Barnett reacted with disappointment. "We thought our site was more accessible. But we hope they can work out all their problems in Portsmouth."

The Suffolk proposal, sponsored by the international engineering firm of Parsons, Brinkerhoff, Quade & Douglas, calls for a facility that could export 25-million tons a year.

Before choosing the VPA site at Portsmouth, the coal companies cut more than $100-million from the original $385-million price tag suggested in August by the state's consultants, Soros Associates. The consultants participated in scaling down project costs. The state proposal was almost $100-million more than the Parsons-Brinkerhoff proposal for Suffolk, but the two are now comparable.

But price was not the only consideration in choosing the Portsmouth site, according to E. Morgan Massey, president of Massey Coal Company, a participating company.

The Portsmouth site poses fewer ecological problems and makes it easier to secure permits. Development of the Suffolk site might have disrupted James River oyster beds.

"We were told after a morning meeting in New York that our proposal best fits their needs and pocketbooks," said Sedam. He added that VPA and the c
shippers had not signed formal

ments guaranteeing construction of the facility or private payback of construction and operating debt. He said he will seek direction from the governor and the General Assembly next week. But the

Continued on Page 4

INSIDE

RAILROAD EARNINGS MORE THAN DOUBLED the year-ago levels in the first half. (Page 3)

FORMER PRESIDENT FORD BACKS COAL industry, calling for better production and [illegible]. (Page 22)

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FACTS & FIGURES

Domestic

	WEEKLY		
	Oct. 31, 181	10/24/81	11/ 1/80
Production			
Bituminous, recent	18,485	18,200	17,020
Bituminous, year to date	661,181	—	685,733
Anthracite, recent week	156	138	85
Anthracire, year to date	4,459	—	4,531
Railroad carloadings			
Bituminous, recent week	136,948	134,815	117,372
Bituminous, year to date	4,729,669	—	4,820,802
Anthracite, recent week	479	424	455
Anthracite, year to date	16,675	—	24,398

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administratgion — Weekly Coal Reports

	WEEKLY		
	Oct. 24	Oct. 17	Oct. 25
Production by states, bituminous and lignite			
Eastern			
Alabama	632	675	510
Georgia	—	—	1
Illinois	1,320	1,581	1,201
Indiana	620	607	402
Kentucky:			
Eastern	2,750	2,850	2,120
Western	1,065	1,175	890
Total, Ky.	3,815	4,025	3,010
Maryland	76	77	75
Ohio	430	495	825
Pennsylvania	2,125	2,132	1,863
Tennessee	325	354	285
Virginia	1,255	1,269	970
West Virginia	2,610	2,622	2,182
Total, eastern	13,208	13,837	11,324
Western			
Alaska	16	13	15
Arizona	310	220	222
Arkansas	14	12	10
Colorado	420	467	305
Iowa	12	14	12
Kansas	4	3	10
Missouri	116	120	120
Montana	728	810	505
New Mexico	290	285	250
North Dakota	305	293	270
Oklahoma	39	38	95
Texas	575	620	545
Utah	172	160	185
Washington	101	105	105
Wyoming	1,860	1,863	2,037
Total, western	4,992	5,023	4,686
Total, United States	18,200	18,860	16,010

In short tons (000).
Source: U.S. Dept. of Energy, Energy Information Administration — Weekly Coal Report

	8/81	7/81	8/80
Coal Labor			
All employees			
Coal mining	256.8	252.8	244.0
Bituminous & lignite	253.3	249.3	240.5
Production employees			
Coal mining	212.3	206.6	200.9
Bituminous & lignite	209.2	205.5	197.8
Hours, weekly average			
Coal mining	41.7	N.A.	40.0
Bituminous & lignite	41.7	N.A.	40.0
Earnings, hourly average			
Coal mining	12.04	N.A.	10.91
Bituminous & lignite	12.08	N.A.	10.95
Earnings, weekly average			
Coal mining	502.07	484.01	436.40
Bituminous & lignite	503.74	486.01	438.00

Source: U.S. Dept. of Labor, Bureau of Labor Statistics-Employment and Earnings.
N.A.-Not Available

	WEEK ENDED		
	10/24/81	10/17/81	10/25/81
Transportation: railroad			
Eastern district			
Bessemer and Lake Erie	1,589	1,824	1,553
Baltimore and Ohio	7,836	8,315	7,098
Chesapeake and Ohio	16,607	18,451	14,876
Consolidated Rail Corp.	9,718	9,567	10,114
Norfolk and Western	22,455	22.674	19,299
Pittsburgh & Lake Erie	21	19	252
Western Maryland	2,264	2,264	2,000
Other, eastern district	12	12	297
Total, eastern district	62,502	63,126	55,489
Southern district			
Clinchfield Railroad	2,088	2,835	2,237
Illinois Central Gulf	5,061	4,841	4,867
Louisville & Nashville	16,853	18,397	14,097
Southern Railway	9,319	10,185	8,625
Other, southern district	—	1	6
Total, southern district	33,321	36,259	29,832
Western District			
Atchison, Topeka & Santa Fe	1,527	1,477	1,606
Burlington Northern	21,710	21,707	20,469
Chicago & North Western	602	468	408
Denver & Rio Grande Western	4,690	4,214	3,822
Kansas City Southern	111	101	106
Chicago, Mil., St. Paul & Pacific	726	630	852
Missouri-Kansas-Texas	103	96	80
Missouri Pacific	4,939	5,149	3,095
Soo Line	64	65	57
Union Pacific	4,486	4,355	3,713
Other, western district	—	21	1
Total, western district	39,003	38,283	34,25808
Total, all districts	134,826	137,668	119,579

	WEEKLY		
	10/31/81	10/24/81	11/1/80
Transportation: Inland Rivers			
Monongahela River, Lock 3	387,237	341,862	312,678
Allegheny River, Lock 2	10,500	15,900	8,500
Ohio River, Mntgmry Lock	320,800	255,700	276,337

In short tons through locks,
Source: U.S. Army, Corps of Engineers, Pittsburgh District.

	MONTHLY		
	Aug. 1981	July 1981	Aug. 1980
Bituminous and lignite			
Consumption			
Electric power utilities	54,194	56,042	53,134
Coal user stocks of coal			
Electric power utilities	136,977	134,855	167,792
Anthracite			
Consumption			
Electric power utilities	133	102	80
Coal user stocks of coal			
Electric power utilities	5,337	5,802	4,098

Note: Data given in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration — Weekly Coal Report.

	Recent	Previous	Year Ago
Coal User Production			
Major direct users:			
Electric utilities (mil. Kwh. Wk ended 10/31//81)	(41,,658	41,513	42,355
Steel (Short tons, thousands, week ended Oct. 31, 1981)	1,922	1,967	2,204
Cement, Portland U.S. shipments (short tons, Monthly, Aug. 1981)	6,827,972	7,079,153	7,079,053
Other significant output:			
Aluminum (short tons, 9/81)	392,997	416,140	418,945
Passenger car production, total (month ended, 10/81)	534,578	455,077	668,015
Machine tools:			
Net new orders ($000, 9/81)	188,100	214,350	374,800
Shipments ($000, 9/81)	441,750	325,400	411,200

	Monthly		
	9/81	8/81	9/80
Price Indexes			
Coal	510.8	507.3	472.1
Anthracite	620.5	595.7	478.4
Chestnut, Pa., mine	524.3	518.9	426.7
Buckwheat No. 1, Pa., mine	691.4	677.4	N.A.
Bituminous	506.2	503.6	471.0
Domestic sizes	619.5	618.9	584.8
Retail dealers	293.1	292.8	276.7
Industrial sizes, spot	436.4	434.2	398.7
Steam electric utility	139.4	138.8	123.4
Manufacturing	281.5	274.7	252.4
Metallurgical, high volatile	757.3	757.3	704.2
Metallurgical, low volatile	744.4	746.7	704.1
Industrial sizes, contract	143.2	142.5	133.9
Steam electric utility	174.9	173.2	161.8
Manufacturing	127.1	126.7	120.2
Metallurgical, high volatile	105.8	105.8	99.2
Coke (foundry by-product)	470.3	470.3	430.6
Birmingham, Ala.	485.2	485.2	439.6
Milwaukee, Wis.	470.8	470.8	420.4
Detroit, Mich.	N.A.	N.A.	423.1
Indianapolis, Ind.	484.3	484.3	437.7
St. Louis, Missouri	316.1	316.1	286.8
Philadelphia, Penna.	315.6	315.6	285.8

N.A. - Not avaialble

FACTS & FIGURES

Exports & Imports

EXPORTS

	Quantity in short tons			Dollar Value			Avg. Value, per short ton		
	6/'81	5/'81	6/'80	6/'81	5/'81	6/'80	6/'81	5/'81	6/'80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	1,295,689	1,174,885	2,298,851	78,747,600	66,798,681	133,967,532	60.78	56.86	58.28
Italy	563,410	219,543	411,525	35,390,208	13,724,736	20,514,551	62.81	62,52	49.85
Canada	297,755	125,416	662,114	17,207,577	6,014,258	38,281,749	57.79	47.95	57.82
Brazil	147,502	—	249,033	9,353,227	—	15,041,960	63.41	—	60.40
Spain	125,592	45,151	56,616	6,947,160	2,156,389	3,176,026	55.32	47.76	56.10
Germany, F.R. (West)	114,013	81,786	112,264	7,041,817	4,629,091	5,826,572	61.76	56:60	51.90
Korea, Rep. (South)	110,654	—	79,562	5,116,855	—	4,363,771	46.24	—	54.85
Yugoslavia	98,251	—	105,091	5,921,008	—	5,407,361	60.26	—	51.45
Total, above	2,752,866	1,646,781	3,975,056	165,725,452	93,323,155	226,579,522	60.20	56.67	57.00
Total, other nations	300,826	439,385	1,928,002	16,822,722	23,303,232	99,421,335	55.92	50.76	51.57
Total, all nations	3,053,692	2,086,166	5,903,058	182,548,174	115,626,387	326,000,857	59.78	55.43	55.23
Bituminous coal, others No. 5213120									
Canada	696,144	1,230,041	1,397,937	32,608,279	56,590,363	56,396,840	46.71	46.01	40.35
Denmark	393,921	305,195	—	15,646,910	14,583,094	—	49.88	47.78	—
Japan	386,230	487,007	32,094	17,938,487	22,477,761	1,742,830	46.45	46.15	54.30
France	361,410	508,408	333,998	15,891,111	22,003,856	11,962,046	43.97	43.28	35.81
Netherlands	214,444	142,130	59,865	10,194,315	5,088,275	2,378,570	47.54	35.80	39.73
China, Tiawan	193,547	—	—	8,310,901	—	—	42.94	—	—
Italy	185,457	144,154	106,412	8,293,546	6,431,490	3,788,006	44.72	44.62	35,60
Spain	161,172	504,531	117,530	6,647,834	21,314,667	4,068,827	41.25	42.25	34.62
Total, above	2,594,325	3,321,466	2,047,836	119,531,383	148,489,506	80,337,121	46.07	44.71	39.23
Total, other nations	223,671	503,024	760,190	11,270,731	23,295,193	31,576,334	50.39	46.31	41.54
Total, all nations	2,817,996	3,824,490	2,808,026	130,802,114	171,784,699	111,913,455	46.42	44.92	39.85
Lignite No. 5213130									
Total, all nations	2,977	4,672	4,362	532,723	826,011	888,378	178.95	176.80	203.86
Coal coke for use as fuel No. 5213140									
Total, all nations	200,347	62,853	219,437	12,118,931	5,229,285	12,996,006	60.49	63.12	59.23

	Quantity in short tons			Dollar Value			Avg. Value, per short ton		
Petroleum coke, except calcined No. 5213150									
Japan	142,239	196,964	110,816	7,008,046	10,286,256	4,414,159	49.27	52.22	39.83
Netherlands	114,341	142,822	151,109	5,223,021	6,762,952	6,461,084	45.68	47.35	42.76
Total, above	256,580	339,786	261,925	12,231,067	17,059,208	10,875,243	47.67	50.18	41.52
Total, other nations	324,254	426,134	540,748	15,338,786	21,503,080	21,109,352	47.30	50.46	39.04
Total, all nations	580,834	765,920	802,673	27,569,853	38,552,268	31,984,595	47.47	50.33	39.85
Compositions for fuel No. 5213160									
Total, all nations	73	186	108	9,776	28,561	13,726	133.92	153,55	127.11
Anthracite No 5213170									
Korea, Rep. (South)	247,541	58,893	90,765	7,637,414	1,831,682	2,636,548	30.85	31.10	29.05
Total, other nations	35,594	111,297	92,947	2,429,201	6,562,756	6,672,990	68.25	58.97	71.79
Total, all nations	283,135	170,190	183,712	10,066,615	8,394,438	9,309,538	35.55	49.32	50.67
Bituminous coal No. 5213120									
South Africa	125,555	63,913	64,441	3,112,518	1,534,546	1,485,375	24.70	24.01	23.05
Total, other nations	144	20,837	—	2,890	1,001,190	—	20.07	48.05	—
Total, all nations	125,699	84,750	64,441	3,115,408	2,535,726	1,485,375	24.78	29.92	23.05
Coke suitable for fuel No. 5213140									
Total, all nations	30,092	84,554	60,538	2,096,964	6,676,042	5,210,715	69.69	78.96	86.07
Compositions for fuel No. 5213160									
Total, all nations	680	87	6,884	38,467	3,030	270,046	56.57	34.83	39.23
Coal, incl. lignite, except peat No. 5213180									
Total, all nations	12,795	133	39,712	603,637	11,785	1,199,124	47.18	88.61	30.20

Norfolk Southern Corp. Chosen for Merged Roads

Norfolk Southern Corporation is the new name selected for the holding company that will be formed with the affiliation of Southern Railway and Norfolk and Western Railway.

The new name was selected "to reflect the rich heritage evoked by the existing names of the two railroads," said Robert B. Claytor, president and chief executive officer of Norfolk and Western, and Harold H. Hall, president and chief executive officer of Southern.

Since the combination of the two railraods was proposed last year, the holding company has been tentatively identified as NWS Enterprises, Inc.

"We recognize that the names of Southern and Norfolk and Western are well established, and that people have very positive feelings about those names. 'Norfolk Southern Corporation' preserves that favorable identification much better than a collection of initials," the two railroad executives said.

The two railroads incorporated NWS Enterprises, Inc. as a Virginia corporation in July, 1980, and elected an interim board to manage the affairs of the company until the affiliation of the railroads takes place. That interim board has approved the change in name to Norfolk Southern Corporation, as have the two railroads, who are the only stockholders of the new company right now.

The name change has been filed with the State Corporation Commission of Virginia, which has issued a certificate of amendment to the holding company's charter reflecting the new name.

Claytor and Hall said the proposed combination "is proceeding rapidly and smoothly" through the Interstate Commerce Commission, whose approval of the transaction is required. After completing its hearings on the combination, the ICC officially closed the record on the proceeding on Oct. 30. Under the law, the ICC must reach a decision on the proposal within 180 days of that date, or no later than April 28.

"We hope they will be able to reach a decision sooner than that, given the withdrawal of all major opposition," Hall and Claytor said. "We think we have presented a compelling case for granting approval."

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COAL INDUSTRY NEWS

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DOI Proposes Surface Mine Revised Rules

WASHINGTON — The Interior Department has proposed a complete revamping of its permanent rules for enforcing the Federal Surface Mining Control and Reclamation Act.

Interior says the proposed rules are intended to "streamline the regulations, remove burdensome or counterproductive requirements and provide editorial clarity"

The proposal would, among other things, allow states to require that surface mine inspectors obtain a search warrant before entering a building on a mine site. However, the proposal is not intended to affect the right of states to conduct warrantless inspections of the mining activity.

The ability of private citizens to force mine inspections would be limited by the proposed regulations. The Office of Surface Mining wants to delete the requirement that state enforcement plans must provide for citizen suits in state courts. A Federal court in the District of Columbia upheld the right of citizens to bring suits in state courts, but OSM notes the ruling is under appeal and says that an "examination of this issue. . . has led OSM to question the validity" of citizens' rights to sue in state courts.

Federal district courts have also upheld the right for a citizen who has requested

Continued on Page 6

SFC's Noble Spells Out Plans For Cost-Sharing in Synfuels

By STEVE MARCY

WASHINGTON — Companies seeking assistance from the Synthetic Fuels Corp. had better be prepared to roll the dice with a large portion of their own money.

"We do not want to bail out people who act before they think," SFC Chairman Ed Noble told the annual meeting here of the Society of Mechanical Engineers. "People who come to us have got to be willing to put a substantial amount of their own money up front and at risk. We do not want to promote a series of white elephants."

The role of the SFC, Noble indicated, is to run the risk of external threat and uncertainties — OPEC pricing policies that could make synfuels uncompetitive, scale-up of experimental plants to commercial operation, the availability of trained labor and engineering force.

"By sharing with the private sponsors a part of the financial risk, the corporation can promote a climate of confidence and encourage more rapid development of commercial plants," Noble told the engineers.

"If we don't do anyting else but prove that synfuels are viable at, say $35 a barrel in constant dollars, then we've made OPEC think twice about raising prices too much above this level," Noble added.

Despite an apparent willingness to allow synfuels projects to be little more than a damper on OPEC pricing urges, Noble expects their prices to level off and perhaps drop relative to inflation.

"Within a few years, given inflation and even modestly rising oil prices, it is quite possible that many initially assisted or marginal synfuels plants could begin operating profitably," Noble said. "But the longer we wait, the greater will be the initial investment and risk."

The banking community has yet to see it quite that way, Noble admitted. Several trips to New York have emphasized the gambles inherent in the synthetic fuels industry without yet enticing anyone to put down their money.

"We've generally had very good sessions, usually long and intense, but broken in mid-day by an always excellent lunch," Noble said. "The last time we were there, the host at the luncheon, after we were all through and relaxed, asked one of his peers what he thought of the morning presentation and if our team had done a good enough job to get him to invest.

" 'Yes,' he said, 'it was a good presentation and frankly I do like to gamble. But when I do, I go to the race track — the air is fresher, the odds are better and you get to pick your own friends.' "

In October, the board at its first meeting voted to issue a supplement to its first solicitation for project proposals. It spelled out in more detail what the board had to consider in moving a project to a second phase of more intense consideration and,

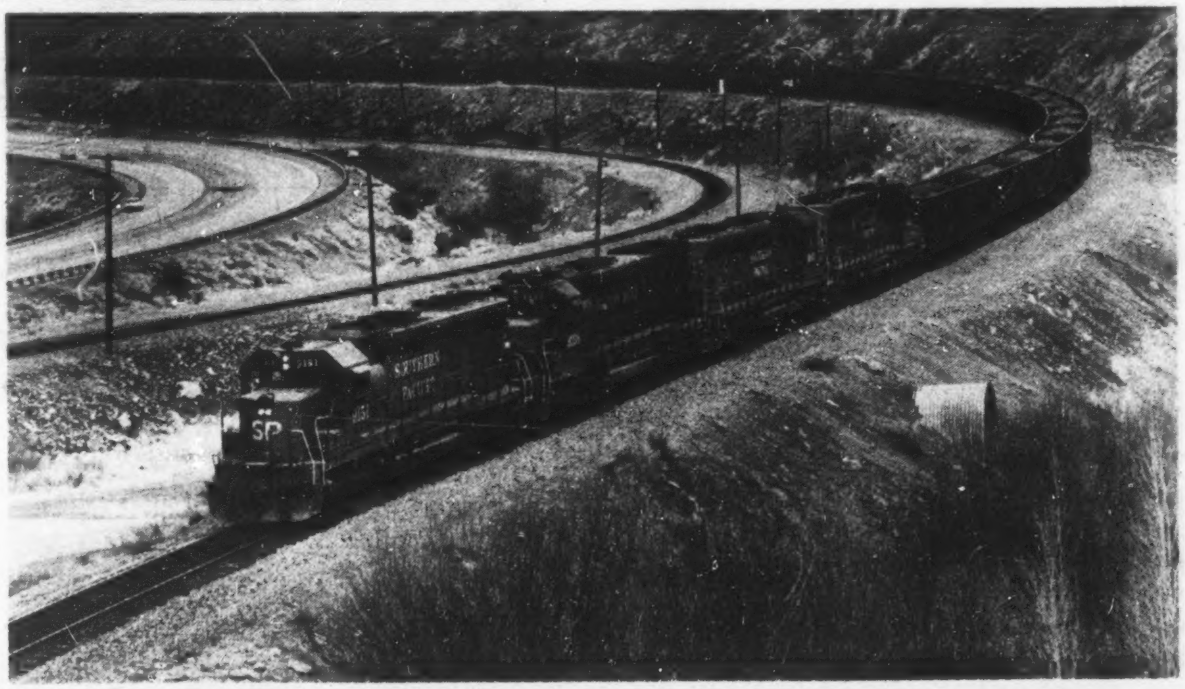
Continued on Page 6

NEWS ROUNDUP

The Reagan Administration came out against granting coal slurry pipelines the right of Federal eminent domain in negotiating for rights-of-way. Saying that "I recognize that there may be significant problems in right-of-way acquisition," President Reagan insisted that "our commitment to the vitality of state governments should not be abandoned simply because it may at times be inconvenient." Proponents of legislation granting the Federal right to slurry lines took solace in the Presidential memorandum which acknowledged that "coal slurry pipelines may be an efficient and cost-justified way to move coal and they should be allowed to compete on their own merits as contributors to improving America's energy situation." Slurry industry spokesmen still indicated some optimism at getting the necessary legislation passed despite the President's opposition.

Coal came out on the short end in a Brookings Institution study, "Clearing the Air: Reforming the Clean Air

Continued on Page 6



CARRYING COALS TO JAPAN: Southern Pacific unit trains heads into Sierra foothills West of Reno with first load of 8,000 tons of coal. Railroad has opened Stockton as first Northern California port handling coal for Pacific Rim markets.

Southern Pacific Enters Japanese Coal Market

By ROBERT E. BEDINGFIELD

STOCKTON, Calif. — The Southern Pacific has delivered two 84-car unit trains, with 100 tons of coal to each car, to the Port of Stockton for loading aboard the Japanese vessel "Ocean Biko" for Japan's cement industry.

The shipment was originated by the Denver & Rio Grande Western Railroad at the General Exploration mine at Palisade, Colo., and moved onto the S.P.'s line at Ogden, Utah. It marked the first unit train

Continued on Page 6

INSIDE

ARTHUR YOUNG SURVEY FINDS mining executives' salaries rose 15 percent in 1980. (Page 3)
CRESTED BUTTE, COLO., IS GROWING plants for reclamation in a specially-lighted mine. (Page 4)
EBASCO RELEASES BULLISH STUDY on utilities' use of coal. (Page 4)
WEST GERMAN PORTS READY to handle several times the coal volume they now unload. (Page 5)

FACTS & FIGURES Domestic

	WEEKLY 11/14/81	11/7/1981	11/15/1980
Production			
Bituminous, recent week	18,405	17,815	17,010
Bituminous, year to date	697,401	—	720,253
Anthracite, recent week	137	184	110
Anthracite, year to date	4,780	—	4,753
Railroad carloadings			
Bituminous, recent week	136,337	131,973	112,210
Bituminous, year to date	4,997,979	—	5,052,446
Anthracite, recent week	312	566	383
Anthracite, year to date	17,553	—	25,379

Production data in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration-Weekly Coal Reports.

Production by states, bituminous and lignite	WEEKLY 11/7/81	10/31/81	11/8/80
Eastern			
Alabama	570	633	345
Georgia	—	—	2
Illinois	1,452	1,499	1,325
Indiana	668	608	560
Kentucky:			
Eastern	2,562	2,797	2,350
Western	1,110	1,158	910
Total, Ky.	3,672	3,955	3,260
Maryland	82	101	78
Ohio	625	357	975
Pennsylvania	2,112	2,186	1,990
Tennessee	197	321	240
Virginia	995	1,151	990
West Virginia	2,458	2,519	2,375
Total, eastern	12,831	13,330	12,140
Western			
Alaska	18	17	14
Arizona	335	314	230
Arkansas	7	9	13
Colorado	408	468	410
Iowa	15	14	14
Kansas	18	4	13
Missouri	119	130	136
Montana	675	875	680
New Mexico	316	253	370
North Dakota	327	325	330
Oklahoma	95	40	101
Texas	611	591	590
Utah	185	174	204
Washington	105	110	115
Wyoming	1,750	1,831	1,850
Total, western	4,984	5,155	5,070
Total, United States	17,815	18,485	17,210

In short tons (000). Source: U.S. Dept. of Energy, Energy Information Administration-Weekly Coal Report.

	8/81	7/81	8/80
Coal Labor			
All employees			
Coal mining	256.8	252.8	244.0
Bituminous & lignite	253.3	249.3	240.5
Production employees			
Coal mining	212.3	208.6	200.9
Bituminous & lignite	209.2	205.5	197.8
Hours, weekly average			
Coal mining	41.7	N.A.	40.0
Bituminous & lignite	41.7	N.A.	40.0
Earnings, hourly average			
Coal mining	12.04	N.A.	10.91
Bituminous & lignite	12.06	N.A.	10.95
Earnings, weekly average			
Coal mining	502.07	484.01	436.40
Bituminous & lignite	503.74	486.01	438.00

Source: U.S. Dept. of Labor, Bureau of Labor Statistics-Employment and Earnings.
N.A.-Not Available

Transportation: railroad	WEEK ENDED 11/7/818/31/81	11/8/80
Eastern district		
Bessemer and Lake Erie	2,0822,030	1,666
Baltimore and Ohio	7,3707,151	8,374
Chesapeake and Ohio	16,52318,582	15,729
Consolidated Rail Corp.	8,8499,567	9,842
Norfork and Western	22,97321,135	19,055
Pittsburgh & Lake Erie	22—	339
Western Maryland	2,0752,981	3,208
Other eastern district	1839	368
Total, eastern district	59,91261,485	56,583
Southern district		
Clinchfield Railroad	2,5782,445	2,119
Illinois Central Gulf	5,0795,742	4,707
Louisville & Nashville	16,98517,624	14,502
Southern Railway	8,6869,189	9,154
Other, southern district	104	1
Total, southern district	33,33635,004	30,483
Western district		
Atchison, Topeka & Sante Fe	1,6391,312	1,494
Burlington Northern	22,52723,625	18,721
Chicago & North Western	1,1201,026	502
Denver & Rio Grande Western	4,6664,678	3,981
Kansas City Southern	101112	111
Chicago, Mil., St. Paul & Pacific	865737	1,105
Missouri-Kansas-Texas	124120	31
Missouri Pacific	4,6344,730	2,955
Soo Line	8877	68
Union Pacific	2,9003,791	3,400
Other, western district	6158	—
Total, western district	38,72540,466	32,368
Total, all districts	131,973136,955	119,434

Transportation: Inland Rivers	WEEKLY 11/14/8111/7/81	11/15/80
Monongahela River, Lock no. 3	428,354514,064	331,321
Allegheny River, Lock no. 2	12,70017,100	5,000
Ohio River, Montgomery Lock	375,285298,500	226,404

In short tons through locks,
Source: U.S. Army, Corps of Engineers, Pittsburgh District.

	MONTHLY 9/818/81	9/80
Bituminous and lignite		
Consumption		
Electric power utilities	48,38554,195	47,829
Coal user stocks of coal		
Electric power utilities	144,097136,977	170,776
Anthracite		
Consumption		
Electric power utilities	98133	84
Coal user stocks of coal		
Electric power utilities	5,4785,337	4,291

Note: Data given in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration-Weekly Coal Report.

Coal User Production	Recent	Previous	Year Ago
Major direct users:			
Electric utilities (Mil. Kwh., Weekly, 11/14/81)	42,129	41,013	42,365
Steel (short tons, thousands, Weekly, 11/14/81)	1,949	1,903	2,313
Cement, Portland, U.S. shipments (short tons, Month 9/81)	6,827,972	7,079,153	7,079,053
Other significant output:			
Aluminum (short tons, Monthly 10/81)	395,565	393,012	436,676
Passenger car production, total (monthly ended, 10/81)	534.578	455,077	668,015
Machine tools: (Monthly)			
Net new orders ($000, 9/81)	188,100	214,350	374,800
Shipments ($000, 9/81)	441,750	325,400	411,200
($000, 9/81)	441,750	325,400	411,200

Price indexes	Monthly 10/819/81	10/80
Coal	511.1510.6	471.0
Anthracite	629.8620.5	479.4
Chestnut, Pa.	524.3524.3	426.7
Buckwheat No. 1, Pa.	691.4691.4	545.1
Bituminous	506.4506.2	469.9
Domestic sizes	619.5619.5	584.2
Retail dealers	293.1293.1	276.4
Industrial sizes, spot	437.7436.4	399.3
Steam electric utility	140.7139.4	123.4
Manufacturing	282.1281.5	252.4
Metallurgical, high volatile	757.3757.3	704.2
Metallurgical, low	——	—
volatile	744.4744.4	710.4
Industrial sizes, contract	143.2143.2	133.4
Steam electric utility	174.7174.9	160.9
Manufacturing	127.1127.1	120.2
Metallurgical, high volatile	106.1105.8	99.0
Coke (foundry by-product)	470.3470.3	430.6
Birmingham, Ala.	485.2485.2	439.6
Milwaukee, Wis.	470.8470.8	420.4
Detroit, Mich.	N.A.N.A.	423.1
Indianapolis, Ind.	484.3484.3	437.7
St. Louis, Missouri	316.1316.1	286.8
Philadelphia, Penna.	315.6315.6	285.8

N.A. - Not available

FACTS & FIGURES Exports & Imports

EXPORTS

	Quantity in short tons 9/81	8/81	9/80	Dollar Value 9/81	8/81	9/80	Avg. Value, per short ton 9/81	8/81	9/80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,277,407	2,020,573	2,088,676	137,029,709	116,604,337	117,649,459	60.17	57.71	56.33
Canada	696,212	623,250	634,566	42,421,693	37,295,598	38,450,325	60.93	59.84	60.59
Belgium	520,349	315,125	177,844	31,876,057	17,988,659	9,117,645	61.14	57.08	51.61
Italy	518,239	726,781	457,284	28,547,041	41,942,336	23,014,997	55.08	57.71	50.33
France	384,763	673,880	472,848	24,151,308	37,710,920	23,409,860	62.77	55.96	49.51
Spain	331,942	435,358	175,822	19,129,968	25,822,518	8,049,853	57.63	59.31	45.84
Germany, F.R. (West)	293,212	173,924	174,841	16,841,182	10,096,345	9,499,462	57.44	58.05	54.33
Sweden	286,735	60,944	227,299	16,364,500	3,652,513	11,922,624	57.07	59.93	52.45
Brazil	223,739	263,609	163,860	14,061,312	17,008,726	8,813,994	62.85	64.52	53.79
Korea, Rep. (South)	195,046	66,544	—	10,827,781	3,297,477	—	55.51	49.55	—
Yugoslavia	189,078	153,812	—	10,453,735	8,638,599	—	55.29	56.10	—
Netherlands	138,214	253,674	197,430	7,894,456	10,840,184	9,764,452	57.12	42.73	49.46
Egypt	123,398	51,672	119,660	7,004,795	2,934,494	6,346,410	56.77	56.79	53.04
Total, above	6,178,334	5,819,146	4,889,930	366,543,537	333,832,686	266,039,081	59.33	57.37	54.41
Total, other nations	573,734	728,866	671,074	33,493,131	42,742,316	34,640,254	58.38	58.64	51.62
Total, all nations	6,752,068	6,548,012	5,561,004	400,036,668	376,575,002	300,679,335	59.25	57.51	54.07
Bituminous coal, others No. 5213120									
Canada	1,542,450	1,305,468	900,820	73,391,622	62,346,800	37,558,021	47.58	47.76	41.69
Italy	442,062	206,759	99,770	20,590,324	9,921,083	3,824,570	46.58	47.98	38.33
Japan	413,521	211,655	21,012	20,637,689	11,285,972	1,184,364	49.91	53.32	56.37
Denmark	369,687	218,767	207,179	15,736,956	9,942,180	7,459,248	42.57	45.45	36.00
France	305,198	435,179	338,092	14,051,274	17,647,530	12,035,151	46.04	40.55	35.60
China, Taiwan	299,261	192,122	65,881	12,400,219	7,738,478	2,432,936	41.44	40.28	36.93
Germany, F.R. (West)	291,961	261,335	50,119	14,557,644	12,701,846	2,357,060	49.86	48.60	47.03
Switzerland	267,516	57,876	—	12,406,601	1,942,651	—	46.38	33.57	—
Spain	253,817	392,053	133,380	12,042,260	17,060,081	7,097,011	47.44	43.51	53.21
Netherlands	237,733	714,209	214,800	10,072,791	37,044,974	9,561,026	46.16	51.87	44.60
Finland	220,369	136,326	74,961	10,240,682	6,972,443	3,198,408	46.47	51.15	42.67
Total, above	4,643,575	4,131,749	2,106,014	217,028,072	194,603,838	86,727,795	46.74	47.10	41.18
Total, other nations	193,150	354,251	598,754	10,274,092	15,724,550	22,243,235	53.19	44.39	37.15
Total, all nations	4,836,725	4,486,000	2,704,768	227,302,164	210,328,388	108,971,030	47.00	46.89	40.29
Lignite No. 5213130									
Total, all nations	3,701	3,258	2,485	1,011,007	410,459	302,439	273.17	125.98	121.71
Coal coke for use as fuel No. 5213140									
Total, all nations	86,830	53,827	198,930	5,506,375	3,482,014	13,237,233	63.44	64.69	66.54
Petroleum coke, except calcined No. 5213150									
Japan	171,894	182,294	175,207	9,263,055	8,618,078	6,874,507	53.89	47.28	39.24
France	106,785	51,915	736	7,064,637	3,351,416	37,440	66.16	64.56	50.87
Total, above	278,679	234,209	175,943	16,327,692	11,969,494	6,911,947	58.59	51.11	39.29
Total, other nations	243,550	452,613	414,886	11,840,702	22,919,175	17,736,054	48.62	50.64	42.75
Total, all nations	522,229	686,822	590,829	28,168,394	34,888,669	24,648,001	53.94	50.80	41.72
Compositions for fuel No. 5213160									
Total, all nations	11,258	41	42	653,924	17,637	5,537	58.09	430.17	131.83
Anthracite No. 5213170									
Korea, Rep. (South)	133,105	190,770	—	4,504,668	6,212,769	—	33.84	32.57	—
Spain	100,102	—	—	4,226,212	—	—	42.22	—	—
Total, above	233,207	190,770	—	8,730,880	6,212,769	—	37.44	32.57	—
Total, other nations	73,868	87,341	95,997	4,787,494	6,267,666	5,806,587	64.81	71.76	60.49
Total, all nations	307,075	278,111	95,997	13,518,374	12,480,435	5,806,587	44.02	44.88	60.49

Ohio's Rhodes: 'Pre-Combustion Is Answer to Clean Air Problem

COLUMBUS, Ohio — Governor James Rhodes is trying to convince the legislature it should rely principally on coal washing to prevent air pollutants from power plants.

The subject of a legislative hearing and a meeting with utility executives already, the bill would direct the head of the Ohio Environmental Protection Agency to require the pre-combustion cleaning of coal where the sulfur content is in excess of two percent by weight.

The proposed legislation, however, contains the caveat that the washing can be required only where it either protects existing air quality or betters it in a way that is "technically feasible and economically reasonable."

Rhodes' press aide Jack Daly says that the coal-washing program should win the Federal Environmental Protection Agency's approval for becoming part of the state implementation plan (SIP) for enforcing the Clean Air Act.

However, Ohio EPA director Wayne Nichols said his state's SIP has yet to win Federal sanction. Sulfur dioxide emission problems at two power plants have caused the delay.

Earlier this month, Gov. Rhodes met with Ohio utility executives to outline the plan and ask for their support. Aides to the governor said the executives promised to at least look at the proposal.

Unclear is where most of the coal-washing facilities would be sited. Some Rhodes aides assumed the bill was targeted at the utility industry rather than at the coal producer. Much of Ohio's coal is owned by utility industry, however, meaning that the utilities would ultimately pick up the cost for many coal preparation plants located at mine mouths.

The legislation would bring into Clean Air Act compliance only existing facilities. Coal washing by itself would not reduce sulfur dioxide emissions enough to meet air-quality standards for new coal-fired power plants, especially given the high sulfur content of some of Ohio's coal. Presently, the standard for new power plants using high-sulfur coal requires that for each 1-million B.t.u.s burned, 90 percent of the sulfur not reach the atmosphere.

The Ohio legislature will probably take up the bill sometime next year, sources said.

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INSIDE
SPECIAL SECTION
RECLAMATION

COAL INDUSTRY NEWS

December 14, 1981 Coal's National Newspaper Volume 5, Number 33 $1 a Copy; $24 a Year

Congress Upset At Drastic DOE Budget Cuts

FERTILE SOIL (LOESS) IS PUMPED through pipelines into retaining polderers over former surface mined region to create fertile land for resettled farmers who will soon be growing crops near Cologne, Germany.

By DONNA SMITH

WASHINGTON — President Reagan will not formally submit his fiscal 1983 budget to Congress until January, but the battles have already begun over the Department of Energy's budget.

Republican and Democrat members of a Senate energy subcommittee told Energy Secretary James Edwards last week to report to President Reagan their displeasure with reports that the budget for conservation, fossil fuel and renewable energy programs will be drastically cut in fiscal 1983.

Edwards, after the hearing, said he expected to meet with President Reagan late on Thursday.

He met Wednesday with members of the White House budget review committee to plan for restoration of some of the department's fiscal 1983 budget requests.

Edwards told the Senate subcommittee on energy and nuclear proliferation that administration negotiations over DOE's fiscal 1983 budget have not been completed. DOE reportedly has proposed a $11.6 billion budget for fiscal 1983 that included $796 million for the Strategic Petroleum Reserve, $305 million for fossil fuel programs, $42 million for conservation, $1.4 billion for nuclear programs and $117 million for solar energy and other renewable resources.

The Office of Management and Budget's countered with a 1983 budget of $9.6 billion that put petroleum reserve purchases off budget and increased its allowance to $2.2 billion. But under the OMB proposal, the budget for fossil fuel programs were slashed to $107 million, conservation programs were reduced to $19 million, nuclear was funded at $1.7 billion and solar and other renewable resources programs were cut to $84 million.

"Energy research and development in coal, this country's most abundant energy resource, was cut 40 percent this year, and is expected to receive further reductions and possibly complete shut-down in fiscal 1983," Sen. Mark. O. Hatfield, R-Ore., said in his testimony before the subcommittee.

DOE said in its response to OMB that it

Continued on Page 6

Eminent Domain Legislation Squeaks Past House Committee Despite Reagan Protests

By STEVE MARCY

WASHINGTON — Legislation granting Federal eminent domain to coal slurry pipelines squeaked through one House committee last week at the same time Reagan Administration officials protested it to another.

The 21-20 vote sends the Interior Committee's version of the legislation to the floor. The bill would allow the Interstate Commerce Commission to award pipelines with a "certificate of public convenience and necessity," forming the basis on which a Federal district court would use eminent domain to secure the rights of way for a pipeline.

Before the House can act, it must await the Public Works and Transportation Committee's consideration of the bill.

A surface transportation subpanel of that committee heard Interior and Transportation Department officials oppose the legislation on grounds it interferes with the rights to states to invoke their own eminent-domain laws.

The officials — David C. Russell, Deputy Assistant Interior Secretary for Land and Water Resources, and Charles Swinburn, Depty Assistant Transportation Secretary for Policy and International Affairs — said that the Administration favored the building of pipelines, but not at the expense of trampling on states rights.

Swinburn said that the inability of natural gas to move by any method other than pipelines justified Federal eminent domain for them, but not for coal. As long as rail can adequately move coal, slurry pipelines are not a critical enough energy issue to warrant the Federal intrusion of eminent domain upon the states.

Both officials said the Reagan Administration supports the movement of coal by pipeline, but that pipeline sponsors must demonstrate to the states that their projects are critical enough to deserve state eminent domain powers.

Russell said that an Interior Department court showed 12 states had eminent

Continued on Page 6

NEWS ROUNDUP

The battle for control of Marathon Oil took a new twist. With U.S. Steel the apparent victor over the unwanted move of Mobil and Amerada Hess, Mobil announced its intention to purchase "between 15 and 25 percent" of the nation's largest steelmaker. If Mobil, the second largest oil company, accomplishes its goal, it is felt it would then try to pressure U.S. Steel to swap Marathon assets for its own stock. This would be much like the deal Dome Petroleum made when it purchased a major share of Conoco and then swapped the shares for

Continued on Page 6

Japanese Set Stiff Demands On American Coal Suppliers

WASHINGTON — Japanese utility and steel executives expect the U.S. to supply a large portion of their coal, but they will not rely on the U.S. until it can demonstrate uninterrupted supplies at world prices.

K. Shibukawa, chief representative of the New York office of the Kansai Electric Co., told a Senate Energy subcommittee on Energy and Mineral Resources that "when American coal achieves price competitiveness in the international coal trade by improving the inland transportation system and facilities, and its quality is guaranteed to the satisfaction of Japanese end users, I am sure that the great latent demand for American coal will be actualized in Japan."

Japanese utilities and the cement industry must use about 60-million tons imported steam coal annually by 1990, up from 1979 government estimates for that year of 53.5-million tons. The utility share should range from 40- to 46-million tons.

Japanese utilities, already operating 40 coal-fired plants that generate 5,760 megawatts, will add another 49 coal-fired facilities of 24,000 mw in capacity in the coming 10 years.

Both industries are concerned about rebuilding the United States' "transportation infrastructure" although Shibukawa hinted that the need for ports capable of handling very large colliers might not be as acute as earlier indicated.

Some power plants are located near

Continued on Page 6

INSIDE

STEEL IMPORTERS ASSERT 'insufficient productivity' is the real problem with American industry. (Page 3)

AMERICAN ELECTRIC POWER PRICE LIST shows drastic effects of inflation on coal mining. (Page 5)

JOHN CORCORAN RECALLS PROBLEMS Consol faced when it built nation's first coal slurry pipeline. (Page 22)

OSM DEFENDS EXPENSES for flying its man every week to review Virginia surface mining program. (Page 3)

FACTS & FIGURES

Domestic

	WEEKLY		
	11/28	11/21	11/29
Production			
Bituminous, recent week	14,300	18,465	15,830
Bituminous, year to date	730,166	—	753,873
Anthracite, recent week	176	157	72
Anthracite, year to date	5,113	—	4,950
Railroad carloadings			
Bituminous, recent week	105,940	136,780	99,860
Bituminous, year to date	5,240,700	—	5,274,666
Anthracite, recent week	400	349	383
Anthracite, year to date	18,302	—	26,172

Production data in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Administration - Weekly Coal Report.

	WEEKLY		
	11/21	11/14	11/22
Production by states, bituminous and lignite			
Eastern			
Alabama	620	620	606
Georgia	—	—	1
Illinois	1,375	1,420	1,289
Indiana	700	642	628
Kentucky:			
Eastern	2,695	2,820	2,431
Western	910	995	972
Total, Ky.	3,605	3,815	3,403
Maryland	115	80	114
Ohio	810	760	958
Pennsylvania	2,260	2,320	2,192
Tennessee	250	200	317
Virginia	979	930	1,071
West Virginia	2,610	2,660	2,379
Total, eastern	13,324	18,405	12,958
Western			
Alaska	14	16	14
Arizona	210	225	213
Arkansas	7	9	13
Colorado	440	430	494
Iowa	12	13	12
Kansas	18	20	10
Missouri	135	122	122
Montana	710	700	746
New Mexico	375	355	307
North Dakota	380	360	296
Oklahoma	110	105	110
Texas	620	670	603
Utah	200	175	165
Washington	110	102	106
Wyoming	1,800	1,650	1,621
Total, western	5,141	4,952	4,832
Total, United States	18,465	18,405	17,790

In short tons (000).
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Reports.

	9/81	8/81	9/80
Coal Labor			
All employees			
Coal	259.1	256.0	247.5
Bituminous & lignite	255.6	252.5	244.1
Production employees			
Coal mining	215.0	211.4	204.7
Bituminous & lignite	211.9	208.3	201.6
Hours, weekly average			
Coal mining	41.9	42.0	40.6
Bituminous & lignite	41.9	42.0	40.6
Earnings, hourly average			
Coal mining	12.34	12.09	10.95
Bituminous & lignite	12.38	12.13	10.99
Earnings, weekly average			
Coal mining	517.05	507.78	444.57
Bituminous & Lignite	518.46	509.46	446.19

Source: U.S. Dept. of Labor, Bureau of Labor Statistics - Employment and Earnings.

Latest: Aug. 1981

	WEEK ENDED		
	11/21/81	11/14/81	11/22/80
Transportation: railroad			
Eastern district			
Bessemer and Lake Erie	1,925	2,221	1,354
Baltimore and Ohio	8,761	9,556	7,942
Chesapeake and Ohio	18,441	21,280	15,354
Consolidated Rail Corp.	9,099	9,554	9,881
Norfolk and Western	22,117	19,699	20,236
Pittsburgh & Lake Erie	—	23	179
Western Maryland	2,276	2,321	3,193
Other, eastern district	15	13	295
Total, eastern district	62,634	64,667	58,434
Southern district			
Clinchfield Railroad	2,092	2,085	1,983
Illinois Central Gulf	5,428	4,052	5,208
Louisville & Nashville	16,260	17,677	13,774
Southern Railway	9,030	9,049	8,908
Other, southern district	—	2	1
Total, southern district	32,810	32,865	29,874
Western district			
Atchison, Topeka & Santa Fe	1,371	1,843	1,392
Burlington Northern	22,936	22,169	19,096
Chicago & North Western	713	834	415
Denver & Rio Grande Western	4,867	4,578	4,473
Kansas City Southern	106	96	111
Chicago, Mil., St. Paul & Pacific	1,430	1,065	1,181
Missouri-Kansas-Texas	98	123	60
Missouri Pacific	4,605	3,785	3,521
Soo Line	70	66	70
Union Pacific	5,078	4,160	3,704
Other, western district	63	62	27
Total, western district	41,337	38,806	34,052
Total, all districts	136,781	136,338	122,360

	WEEKLY		
	11/28/81	11/21/81	11/29/80
Transportation:			
inland rivers			
Monongahela River, Lock no. 3	286,000	422,392	315,544
Allegheny River, Lock no. 2	12,200	21,900	27,900
Ohio River, Montgomery Lock	401,950	250,800	250,704

In short tons through locks,
Source: U.S. Army, Corps of Engineers, Pittsburgh District.

	MONTHLY		
	11/21/81	11/14/81	11/22/80
Bituminous and lignite			
Consumption			
Electric power utilities	48,385	54,195	47,829
Coal user stocks of coal			
Electric power utilities	144,097	136,977	170,776
Anthracite			
Consumption			
Electric power utilities	98	133	84
Coal user stocks of coal			
Electric power utilities	5,428	5,337	4,291

Note: Data given in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Report.

	9/81	8/81	9/80
Coal User Production			
Major direct users:			
Electric utilities (Mil. Kwh., Weekly, 11/28/81)	41,711	42,566	42,727
Steel (Short tons, thousands, Weekly, 11/28/81)	1,755	1,853	2,375
Cement, Portland, U.S. shipments (Short tons, monthly, 9/81)	6,800,131	6,827,972	7,302,804
Other significant output:			
Aluminum (short tons, Month, 10/81)	395,565	393,012	436,676
Passenger car production, total (week ended, 10/81)	534,578	455,077	668,015
Machine tools: (monthly)			
Net new orders ($000, 10/81)	213,800	188,650	330,000
Shipments ($000, 10/81)	406,900	441,450	439,800

	Monthly		
	10/81	9/81	10/80
Price indexes			
Coal	511.1	510.6	471.0
Anthracite	629.8	620.5	479.4
Chestnut, Pa.	524.3	524.3	426.7
Buckwheat No. 1, Pa.	691.4	691.4	545.1
Bituminous	506.4	506.2	469.9
Domestic sizes	619.5	619.5	584.2
Retail dealers	293.1	293.1	276.4
Industrial sizes, spot	437.7	436.4	399.3
Steam electric utility	140.7	139.4	123.4
Manufacturing	282.1	281.5	252.4
Metallurgical, high volatile	757.3	757.3	704.2
Metallurgical, low volatile	—	—	—
Industrial sizes, contract	143.2	143.2	133.4
Steam electric utility	174.7	174.9	160.9
Manufacturing	127.1	127.1	120.2
Metallurgical, high volatile	106.1	105.8	99.0
Coke (foundry by-product)	470.3	470.3	430.6
Birmingham, Ala.	485.2	485.2	439.6
Milwaukee, Wis.	470.8	470.8	420.4
Detroit, Mich.	N.A.	N.A.	423.1
Indianapolis, Ind.	484.3	484.3	437.7
St. Louis, Missouri	316.1	316.1	286.8
Philadelphia, Penna.	315.6	315.6	285.8

N.A. - Not available

Latest: Oct. 1981

FACTS & FIGURES

Exports & Imports

EXPORTS

	Quantity in short tons			Dollar Value			Avg. Value, per short ton		
	9/81	8/81	9/80	9/81	8/81	9/80	9/81	8/81	9/80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,277,407	2,020,573	2,088,676	137,029,709	116,604,337	117,649,459	60.17	57.71	56.33
Canada	696,212	623,250	634,566	42,421,693	37,295,598	38,450,325	60.93	59.84	60.59
Belgium	520,349	315,125	177,844	31,876,057	17,988,659	9,117,645	61.14	57.08	51.61
Italy	518,239	726,781	457,284	28,547,041	41,942,336	23,014,997	55.08	57.71	50.33
France	384,763	673,880	472,848	24,151,308	37,710,920	23,409,860	62.77	55.96	49.51
Spain	331,942	435,358	175,622	19,129,968	25,822,518	8,049,853	57.63	59.31	45.84
Germany, F.R. (West)	293,212	173,924	174,841	16,841,182	10,096,345	9,499,462	57.44	58.05	54.33
Sweden	286,735	60,944	227,299	16,364,500	3,652,513	11,922,624	57.07	59.93	52.45
Brazil	223,739	263,609	163,860	14,061,312	17,008,726	8,813,994	62.85	64.52	53.79
Korea, Rep. (South)	195,046	66,544	—	10,827,781	3,297,477	—	55.51	49.55	—
Yugoslavia	189,078	153,812	—	10,453,735	8,638,599	—	55.29	56.16	—
Netherlands	138,214	253,674	197,430	7,894,456	10,840,164	9,764,452	57.12	42.73	49.46
Egypt	123,398	51,672	119,660	7,004,795	2,934,494	6,346,410	56.77	56.79	53.04
Total, above	6,178,334	5,819,146	4,889,930	366,543,537	333,832,686	266,039,081	59.33	57.37	54.41
Total, other nations	573,734	728,866	671,074	33,493,131	42,742,316	34,640,254	58.38	58.64	51.62
Total, all nations	6,752,068	6,548,012	5,561,004	400,036,668	376,575,002	300,679,335	59.25	57.51	54.07
Bituminous coal, others No. 5213120									
Canada	1,542,450	1,305,468	900,820	73,391,622	62,346,600	37,558,021	47.58	47.76	41.69
Italy	442,062	206,759	99,770	20,590,324	9,921,083	3,824,570	46.58	47.98	38.33
Japan	413,521	211,655	21,012	20,637,689	11,285,972	1,184,364	49.91	53.32	56.37
Denmark	369,687	218,767	207,179	15,736,966	9,942,180	7,459,248	42.57	45.45	36.00
France	305,198	435,179	338,092	14,051,274	17,647,530	12,035,151	46.04	40.55	35.60
China, Taiwan	299,261	192,122	65,881	12,400,219	7,738,478	2,432,936	41.44	40.28	36.93
Germany, F.R. (West)	291,961	261,335	50,119	14,557,644	12,701,846	2,357,060	49.86	48.60	47.03
Switzerland	267,516	57,876	—	12,406,601	1,942,651	—	46.38	33.57	—
Spain	253,817	392,053	133,380	12,042,260	17,060,081	7,097,011	47.44	43.51	53.21
Netherlands	237,733	714,209	214,800	10,072,791	37,044,974	9,581,026	46.16	51.87	44.60
Finland	220,369	136,325	74,961	10,240,682	6,972,443	3,198,408	46.47	51.15	42.67
Total, above	4,643,575	4,131,749	2,106,014	217,028,072	194,603,838	86,727,795	46.74	47.10	41.18
Total, other nations	193,150	354,251	598,754	10,274,092	15,724,550	22,243,235	53.19	44.39	37.15
Total, all nations	4,836,725	4,486,000	2,704,768	227,302,164	210,328,388	108,971,030	47.00	46.89	40.29
Lignite No. 5213130									
Total, all nations	3,701	3,258	2,485	1,011,007	410,459	302,439	273.17	125.98	121.71
Coal coke for use as fuel No. 5213148									
Total, all nations	86,830	53,827	198,930	5,508,375	3,482,014	13,237,233	63.44	64.69	66.54
Petroleum coke, except calcined No. 5213150									
Japan	171,894	182,294	175,207	9,263,055	8,618,078	6,874,507	53.89	47.28	39.24
France	106,785	51,915	736	7,064,637	3,351,416	37,440	66.16	64.56	50.87
Total, above	278,679	234,209	175,943	16,327,692	11,969,494	6,911,947	58.59	51.11	39.29
Total, other nations	243,550	452,613	414,886	11,840,702	22,919,175	17,736,054	48.62	50.64	42.75
Total, all nations	522,229	686,822	590,829	28,168,394	34,888,669	24,648,001	53.94	50.80	41.72
Compositions for fuel No. 5213160									
Total, all nations	11,258	41	42	653,924	17,637	5,537	58.09	430.17	131.83
Anthracite No. 5213170									
Korea, Rep. (South)	133,105	190,770	—	4,504,668	6,212,769	—	33.84	32.57	—
Spain	100,102	—	—	4,226,212	—	—	42.22	—	—
Total, above	233,207	190,770	—	8,730,880	6,212,769	—	37.44	32.57	—
Total, other nations	73,868	87,341	95,997	4,787,494	6,267,666	5,806,587	64.81	71.76	60.49
Total, all nations	307,075	278,111	95,997	13,518,374	12,480,435	5,806,587	44.02	44.88	60.49

Consol Files for Surface Mine in Big Horn County

SHERIDAN, Wyo. — Pittsburgh-based Consolidation Coal Company, the nation's second largest coal producer, has filed a permit application to open and operate a surface mine 22 miles Northeast of here in Big Horn County, Mont.

The new mine, to be developed on the CX Ranch property owned by Consol, is designed to produce 8-million tons of coal a year and will employ approximately 500 persons.

The company said the mine is being planned in a manner that is environmentally sound and consistent with state and Federal laws and regulations. "We have put great emphasis on Montana's needs and concerns and have designed the mine to protect the state's agricultural and recreational lands," Buddy A. Beach, Consol vice president-environmental affairs, said. He added that "we have maintained frequent contact with state regulatory authorities in collecting our information, as well as in designing the mine."

The shovel/truck method will be used to mine multiple coal seams with a cumulative thickness of about 100 feet. The coal will be stored in silos and loaded into unit trains for shipment to customers. Other facilities to be built include a shop, warehouse, bathhouse and offices. Construction is expected to start in 1983 with full production projected for 1987.

Engineering, exploration and environmental studies related to the development of the CX mine have been underway for several years. Most of the large-scale environmental baseline studies, begun in mid-1979, have been completed. However, monitoring continues and several small-scale environmental data collection programs are still in progress.

Environmental studies have included the collection of detailed information on hydrology, geology, vegetation, wildlife, aquatic biology, land use, cultural resources, soils, climatology and air quality and overburden chemistry. Consol has already committed more than $1.2-million to outside contractors for environmental work at CX Ranch.

The drilling program, which began in 1974, was designed to define and evaluate the quantity and quality of the CX Ranch coal resources.

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Special Section
OUTLOOK
Inside

COAL INDUSTRY NEWS

January 11, 1982 *Coal's National Newspaper* Volume 5, Number 34 $1 a Copy; $24 a Year

10 Coal Projects Meet SFC Deadline, Given 2nd Look

By Marcy Gordon
Staff Writer

WASHINGTON — Ten coal conversion projects have survived the "first cut" of the Synthetic Fuels Corp.

The sponsors of the 10 projects have responded to the corporation's request for detailed information under its first solicitation for financial assistance.

The 10 proposals, along with 17 other synfuels ventures, answered the corporation's letter by the Jan. 4 deadline — and are now considered eligible for further consideration under the initial solicitation. But the other 40-or-so coal projects that originally applied to the corporation for assistance and didn't make the deadline will be able to reapply under the second solicitation, which closes May 31.

SFC Depufy Vice President for Projects Ralph Bayrer told reporters last week that contracts for financial assistance will likely be signed four to six months after the board's meeting in mid-February.

Last month, the SFC staff identified to the board seven of the 63 project proposals before it as fully meriting further consideration. Another seven could be recommended for conditional passage to the corporation's next phase of deliberations.

The proposals classified by the staff as most mature in terms of engineering design include two involving coal gasification. Most fall into the "next-to-most-mature" category — including another two gasification ventures and four liquefaction proposals.

The 10 coal projects that have been retained for the first solicitation are:

- North Alabama Coal Gasification Project, Murphy Hill, Ala. — Originally started by the Tennessee Valley Authority, the project would use a GKT gasifier to produce 355 million gallons a year of methanol, starting in 1986. Sponsors: Santa Fe International, Kidder Peabody and Air Products & Chemicals (loan guarantee requested).
- Cool Water Gasification Project, Daggett, Calif. — Would use the Texaco gasification process to produce 4,300 barrels of oil equivalent per day, starting in 1983. Sponsors: Texaco, Inc., Southern California Edison Co., Electric Power Research Institute, Bechtel Power Corp., General Electric Co., Empire State Electric Energy Research Co. and JCWP, a Japanese consortium.

The sponsors originally requested a joint venture with the corporation, but are now seeking a price guarantee.

- MAPCO Coal-to-Methanol Project, Carmi, Ill. — Would use the Texaco gasification process and the Lurgi low-pressure methanol synthesis loop to produce 35,000 barrels per day of methyl fuel, starting in 1987. Sponsor: MAPCO Synfuels, Inc., a subsidiary of MAPCO, Inc. (price and loan guarantees).
- Breckinridge Project, Breckinridge County, Ky. — Would use the H-Coal direct liquefaction process to produce 49,800 b/d of liquid products, starting in 1987. Sponsors: Ashland Oil, Inc. and Bechtel Petroleum, Inc. (loan guarantee).
- EG&G Project, Fall River, Mass. — Would use the Texaco gasification process to produce 758,000 gallons of methanol and 13,000 megawatt hours of electricity a day, starting in 1988. Sponsors: EG&G Inc. and Brooklyn Union Gas Co. (loan guarantee).
- A-C Valley Corp. Project, Venango County, Pa. — Would use a combination of Koppers gasification, ICI methanol synthesis and Mobil methanol conversion to produce 9,300 b/d of gasoline and 200 b/d of liquefied propane gas (LPG), starting in 1986. Sponsor: A-C Valley Corp. (loan guarantee).
- Memphis Light, Gas & Water Project, Memphis, Tenn. — Would use the U-gas pro-

(Continued on page 8)

NEWS ROUNDUP

British coal miners will vote Thursday and Friday on the National Coal Board's latest pay offer. Board Chairman Derek Ezra appealed to the 240,000 miners to accept the terms, saying the board cannot afford to offer any more. But the National Union of Mineworkers executive board has rejected the offer of a 9.3 percent increase. The union is asking its members for authority to call a strike if necessary.

* * *

Poland's coal exports dropped by half in 1981, causing a drop of at least $1 billion in revenues, reports the official news agency PAP. It said exports last year fell to 15.1 million metric tons from the 1980 level of 30.3 million. The news agency said the revenue decline led to a correspondent reduction in imports of goods, adding to the country's economic tensions. Of those 1981 exports, 7.2 million metric tons went to Communist Bloc countries and 7.9 million to customers in the West.

Warsaw Radio said earlier that total

(Continued on page 5)

Preparing Nozzle for Great Plains Project

A WORKER at Gulf-Western Manufacturing Co.'s Lenape facility checks a 13,000-pound nozzle forged at the West Chester, Pa., plant. The nozzle and others like it will be used by Chicago Bridge and Iron Co. for the Great Plains Coal Gasification project near Beulah, N.D. The gasification plant is expected to manufacture 125 million cubic feet of synthetic natural gas daily.

Amax is Talking with Ruhrkohle, Others on Possible Joint Venture

By Gene Smith
Editor

NEW YORK — Amax Inc., the nation's third largest coal producer, is "continuing discussions" with Ruhrkohle AG, West Germany's largest coal producer, on the possibility of a joint venture aimed at developing Amax's vast coal reserves.

A spokesman for Amax said that discussions have also been held with "other companies as well." The company acknowledged earlier that Kawaski Steel Co. of Japan was among the potential joint venture partners and that officials of the Japanese firm recently visited Amax's Wyoming properties.

Amax said that the talks center in its Amax Coal Co. subsidiary. It produced some 40.5 million tons of coal in 1980 and has reserves placed at 3.3 billion tons. Its Belle Ayr mine outside Gillette, Wyo., was the nation's largest bituminous mine in 1980, turning out a little over 16 million tons of coal.

Company statements have been somewhat fuzzy as to just what properties might be involved in any joint venture, but it was confirmed that the discussions to date have been "either for all of the assets or certain reserves." Amax Coal is based in Indianapolis, and most of its reserves are in the Midwest.

Confirmation of the "discussions" was made after news reports from West Germany said that Ruhrkohle, Amax and certain other unidentified European companies were about to announce formation of a coal consortium capitalized at $3 billion.

Rumors of the talks with Ruhrkohle had been rampant on Wall Street in recent

(Continued on page 20)

INSIDE

ACCELERATED LEASING plans by the Interior Department come as the Office of Technology Assessment questions if the coal will be needed. **Story on page 3.**

THAT OXY-ENI DEAL could be part of a larger trend, some analysts suggest. **Story on page 4.**

ROBERT REDFORD tells why he worked to help assemble the Institute for Resource Management **on page 5.**

SWITCHES FROM OIL to coal by New York utilities are lagging, and a leading researcher has some ideas why. **Story on page 6.**

Reagan's Plan to Dismantle DOE May Meet Resistance in Congress

By Steve Marcy
Staff Writer

WASHINGTON — Congress had adjourned for the Christmas holidays when the Reagan administration outlined its plan to dismantle the Department of Energy. Consequently, few on Capitol Hill have given any thought to what could be considered the latest adminnistration attempt to keep another campaign promise.

Most will reserve judgment until the administration formally transmits its proposal later this month. By then, lawmakers will already be deep into the burdensome questions about the 1983 budget deficit and whether to tax or not to tax to keep it under control.

Still, early indications are that the plan to transfer most DOE functions to the Interior and Commerce Departments would receive lukewarm to cold support.

Some oppose the concept of removing energy policy from a central agency; energy cuts across all facets of the economy and society and so should have a center of attention. Others believe, as Senate Energy Committee Chairman James McClure, R-Idaho, has often stated, that dismantling DOE would "send our allies the wrong message" about U.S. resolve to make itself secure against the vagaries of shifting energy supplies.

"Wrong Signal"

His Democratic counterpart, Sen. Henry Jackson of Washington, echoed those sentiments and added that it would be sending the "wrong signal at the wrong time to our allies, to our adversaries and particularly to our partners in the International Energy Agency." Jackson said that DOE dismemberment would lead to situations where "the left hand of our policy making would not know what the right hand is doing."

Jackson is a high-ranking minority member of the Energy and Governmental Affairs Committees, giving him influence regardless of where the Reagan proposal is referred. Normally when Congress is asked to move governmental boxes around, the task falls to Governmental Affairs. It had jurisidiction over the original DOE organization act.

Congressional committees designated to review the proposal could ignore it and assure DOE's survival. But the Reagan administration plans to catch Congress' attention by submitting a budget request that assumes DOE no longer exists. Money for its remaining programs will be included in the Commerce and Interior Department agencies where the administration wants them. This will force Congress through the budget process to actively emplace the programs back in DOE if it wants to keep it.

Policy Backwater

Some Capitol Hill sources say congressmen and senators are sure to wonder about the Commerce Department's ability to take the lead in such key areas as nuclear weapons and energy research when it has been in a policy backwater for decades. The oil glut, induced partially by recession and OPEC disarray, is fragile and energy is certain to be a front-line issue at some future point.

The Reagan plan transfers to Commerce nuclear energy research, nuclear weapons research and manufacturing, fossil research, solar research, alcohol fuels and energy storage. Also placed there would be the Energy Information Administration.

To Interior would go resource-related functions, including the strategic and other national petroleum reserves and hydroelectric dams operated by the Power Marketing Administrations.

Exactly where in Commerce the energy reseach programs would be housed is uncertain. There has been some talk of making them semi-independent on the order of the old Energy Research and Development Administration, only this time calling it the Energy Research and Technology Administraion. This concept could find some favor on Capitol Hill, especially if the agency could be sprung totally free of Commerce, sources say.

Warm Reception

An especially warm reception for the concept might be given by the House Science and Technology Committee, which would then maintain its jurisdiction over energy research and find that it also would fit easily into its jurisdiction over the National Bureau of Standards and the National Oceanographic and Atmospheric Administration.

A problem, though, will be the money available in the research budget itself. For fossil fuels, the Reagan administration is rumored to be proposing only $106 million for 1983, compared to the more than $1 billion the Carter administration was spending its last year in office.

Magnetohydrodynamics and enhanced oil and gas recovery would be ended. About $20 million would remain for direct coal liquefaction and $11 million for surface coal gasification. *In-situ* coal gasification would also be phased out, with the possible exception of research into steeply sloping beds.

From $20 million to $30 million would be devoted to the environmental consequences of energy use.

The Reagan plan would transfer most of the Economic Regulatory Administration to the Justice Department until it clears up the backlog of entitlements and pricing cases from the days of controls on oil prices. The fuels conversion office of ERA, responsible for issuing orders to electric utilities mandating their conversion from oil to coal, would be transferred initially to DOE's emergency preparedness office and then move with it to Commerce.

Economy Curbs Appalachia Coal Output

By Mike Myer
Correspondent

CHARLESTON, W. Va. — Coal production in the 13-state Appalachian region will increase by about 2 percent a year during the next decade but will be constrained by several economic factors, according to a study by the Appalachian Regional Commission.

Production in ARC states, which include all major eastern coal areas, should increase from 1980's level of 427 million tons to about 527 million tons during the coming decade, according to the study.

But slower domestic economic growth, energy conservation and stable oil prices will limit coal's growth, said experts hired by ARC for the study. The oil price factor, which could limit coal's growth domestically, may increase the Appalachian region's exports of steam coal, they added.

Doubling of world oil prices in recent years, along with problems in Poland and Australia and restrictions on South African coal sales, contributed to an increase in world demand for Appalachian steam coal, said the experts.

Another major factor which could increase that demand is overcapacity in the domestic coal industry, leading to below-normal prices for American coal, according to the study.

Though American coal cannot compete in price with that from Australia or South Africa, buyers on world markets also consider stability of supply in the long term, quality and the need for several different suppliers. These factors, along with the fact that domestic coal is a "market guide" which helps keep coal prices higher worldwide, should ensure continued success in the export arena for American coal, said the ARC experts.

They predicted that world export demand will increase from its 1979 level of 209 million tons to 334 million tons by 1985 and will double by 1990, then triple by 1995. About one-third of this total will come from the United States by 1995.

Appalachian states, which now sell about 90 percent of the coal exported from America, will benefit from growing demand for steam coal in western Europe, said the experts. They predicted western European sales of about 26 million tons of Appalachian steam coal by 1985, 45 million tons by 1990 and 58 million tons by 1995.

Rising Demand

Domestic demand for Appalachian steam coal also will increase throughout the eastern United States, primarily in New England and the southeast, according to the ARC.

Major rail carriers will abandon 1,300 miles of track in the Appalachian area, primarily affecting small coal shippers, who will have to find ways to consolidate coal traffic, the study indicates.

U.S. COAL CONSUMPTION AND PRODUCTION OUTLOOK

(Million Tons)

CONSUMPTION	Final 1979	Final 1980	Revised 1981 Forecast	1981 Forecast	Percent Change 1982/81
DOMESTIC					
Electric utilities	526.0	568.3	596	620	+4.0
Coking coal	77.0	66.5	65	72	+10.8
General industry and retail	74.3	64.2	77	80	+3.9
Total domestic Consumption	677.3	699.0	738	772	+4.6
EXPORTS TO:					
Canada: steam	11.6	10.8	10	11	+10.0
Metallurgical	7.5	6.3	5	7	+40.0
Total	19.1	17.1	15	18	+20.0
Overseas: steam	2.5	16.0	31	36	+16.1
Metallurgical	43.1	56.8	49	51	+4.1
Total	45.6	72.8	80	87	+8.8
Total exports	64.7	89.9	95	105	+10.5
Total Consumption	742.0	788.9	833	877	+5.3
PRODUCTION					
East	554.9	572.6	530	593	+11.9
West	221.4	251.0	275	293	+6.6
Total production	776.3	823.6	805	886	+10.1
IMPORTS					
Coal	2.1	1.2	0.5	0.5	xxx
Coke	4.0	0.7	0.5	0.5	xxx

Source: National Coal Association Economics Committee.

NCA Projects Record U.S. Consumption During 1982

WASHINGTON — Led by a 10.5 percent increase in exports and a slight rebound in the steel industry, coal consumption in 1982 should reach a record 877 million tons, the National Coal Association predicted in a wrapup of 1981 and forecast for 1982.

Total production should also rebound from the strike-torn 1981 level of 805 million tons and reach 886 million tons in the new year, with the lion's share of that, 593 million tons, coming east of the Mississippi.

Western production will rise to 293 million tons, 6.6 percent more than the 1981 level of 275 million tons. Although NCA says western production was largely unaffected by the strike, its growth from 1980's 250 million tons to 1981 showed a 9.6 percent increase.

The export projection for 1982 includes 18 million tons to Canada and 87 million tons overseas, a 105 million ton total that is 10.5 percent higher than 1981's expected final exports of 95 million tons.

This increase occurs despite an economic recession in Europe, the NCA's economic committee, compiler of the forecast, noted.

Where It Will Go

Fifty-one million tons of the overseas exports will be metallurgical (or met) coal and 36 million tons steam coal. Seven million tons destined for Canada will be met coal and 11 million tons steam. The greatest gains in the overseas market occur in steam coal however, showing a 5 million-ton increase from 1981 to 1982 while met coal exports should increase by only 2 million tons.

But that projected increase in overseas met coal exports for next year recovers only part of the sales lost to an Australian industry also rebounding from strikes. U.S. overseas met coal exports reached 56.8 million tons in 1980 when the Japanese were cut off from Australian coal.

NCA is banking on an economic upturn and the need of the U.S. steel industry to replace inventories for an increase in coking coal consumption that should reach 72 million tons in 1982, up 10.8 percent from the depressed level of 65 million tons in 1981 and 66.5 million tons in 1980. NCA projections assume raw steel production of 133 million tons.

Utility Demand

The electric utility industry will continue to be the largest consumer of coal, but its rate of growth of coal use in 1982 will be only 4.6 percent compared to the 5.6 percent increase between 1980 and 1981. The 620 million tons NCA projects the industry to burn in 1982 will account for 80 percent of all coal used. Coal-fired power plants accounted for 52.4 percent of all electricity generated in 1981, the largest share since 1967.

Utilities had coal inventories large enough going into 1981's 72-day strike for total coal consumption to reach 833 million tons, 28 million tons more than the 805 million tons expected to be finally produced.

The electric utility rate of coal use is down slightly from recent years because existing coal-fired power plants, with their significantly lower operating costs, are being used at full capacity. A finacially strapped electric utility industry that is also facing lowered demand for electricity has done this rather than rapidly building new coal-fired power plants or convert oil-fired units to coal. NCA says some conversions will still occur, however. — **Steve Marcy**

'82 OUTLOOK

IEA Sees Coal Supplanting Oil as Top Fuel Source by Year 2000

By Michael Parrott
Correspondent

PARIS — In 20 years, coal will have replaced oil as the leading energy source within the industrialized world, say projections in a new International Energy Agency study.

It adds that increased coal use may play a key roel in IEA member countries, the world's leading industrialized nations, reaching more than 80 percent energy self-sufficiency as a group.

Although the opinions expressed in the report are those of the author, it is the first time the IEA has given such a detailed breakdown of the likely consumption and production figures in the year 2000.

According to the report "Shaping the Energy Transition", the IEA countries, which include all the major western nations except France, will continue to rely on oil more than any other fuel until 1990. But by the year 2000, coal will represent 35.5 percent of total energy requirements of 5.1 billion metric tons of oil equivalent (toe) compared to 25.9 percent for oil. In 1979, it only represented 20.0 percent out of 3.6 billion toe compared to oil's 50.3 percent.

In North America, the role played by coal will be even greater at 38.2 percent out of total demand of 2.75 billion toe compared to 21.8 percent for oil. This compares with 19.2 and 45.9 percent of 2.1 billion toe 21 years earlier.

The report, prepared by IEA economist Richard Lamb, shows how coal will supplant oil in electricity generation and industrial use. While total fuel outputs for electricity will rise from 1.2 billion toe to 2.1 billion, coal use is to reach 1.1 billion from 468 million. Oil and gas use are seen falling to 50 million toe apiece from 215 million and 128 million respectively.

Out of 500 million toe of extra production in North America, 368 million would come from coal, while oil and gas use would actually fall by 72 million and 65 million toe.

It is the same story in industrial use, where coal use is due to reach 485 million toe from 177 million and total energy consumption hit 1.7 billion from 1 billion. With fairly sharp increases also expected from gas and electricity, oil use is due to fall to 420 million from 475 million. Out of a 275 million toe increase in North American industrial consumption, 151 million would come from coal, while there would be a 43 million toe fall in oil use.

Lamb's report assumes a 1.5 percent increase in energy demand between 1979 and 1990 and one of 1.9 percent between 1990 and 2000, with economic growth just below 3 percent in the first period and just above in the second.

The report sees a steady increase in indigenous energy production of the IEA area of 2.5 percent a year bringing self-sufficiency to more than 80 percent from nearly 70 percent. Coal and other solid fuels are to provide more than 60 percent of the incremental domestic supply and nuclear most of the rest.

PROJECTED COAL USEAGE PATTERNS

(Million Metric Tons Oil Equivalent)

	1979	1990	2000
North America	-33	-63	-100
Pacific	+17	+11	-55
Europe	+27	+112	+195
IEA Total	+11	+60	+40

(+) imports, (-) exports.
Source: International Energy Agency.

Lamb sees coal production within the IEA reaching 1.8 billion from 727 million tons, with North American output reaching 1.2 billion from 538 million, and that of the Pacific 340 million from 72 million. European output is expected to rise slightly to 280 million from 197 million. It is largely thanks to this increased output that North America is likely to be 99 percent self-sufficient in energy in the year 2000 compared to 84 percent in 1979, and the Pacific will be 67 percent self-sufficent compared to 33 percent. With only a small increase in coal output, Europe's self-sufficiency will only reach 61 percent from 54 percent.

But with Europe's coal consumption due to more than double to 475 million toe from 231 million, its imports are due to reach 195 million from 27 million, with up to 155 million coming from the United States, Canada and Australia, and the rest from non-IEA countries such as Poland and South Africa. North America is expected to export 100 million tons of coal in the year 2000 compared to 33 million in 1979. The Pacific region, which was importing 17 million tons of oil equivalent of coal two years ago, will be exporting 55 million. But up to 135 million tons of Australian exports will remain within the region, going to Japan.

Lamb admits that several things could go wrong with his scenario. It is by no means certain that enough coal-fired and nuclear capacity will be brought onstream in the electricity field, while industry may not switch away from oil to coal, electricity and gas. The required infrastructure to receive and handle coal imports may not be completed.

Lamb claims that if adequate infrastructure is not built in Europe and the Pacific, coal use in industry could be reduced by up to 50 million toe and 60 million toe respectively. But even then eight coal transshipment facilities of over 20 million tons of coal capacity would still be in Europe and four in Japan.

If such a reduction in coal use occurred, the IEA's oil imports might fall to only 17 million barrels daily in the year 2000, from 25 million in 1979, instead of reaching 15 million b/d.

Cleaned Coal Will Become More Important

(Continued from page 11)

at the end of 15 years, if interest rates averaged 15 percent.

The passing of the small independent operator will probably never be complete, but the trend may be irreversible. I strongly suspect, however, they will reappear as contract miners for large operators who will own and control the reserves, the mining operations, and the cleaning facilities, and will provide the necessary technical, financial, and marketing assistance.

As long as there are surface mine reserves and above drainage punch mine reserves which can be coordinated by a financially sound company and mined by efficient contractors — and certainly this will be the case in the time frame we are discussing — this method of operation will likely be a major factor in the coal industry. The net effect will not be greatly different than when the smaller entrants were on their own.

EIA Forecasts 4.6 Percent Jump In Coal Consumption During 1982

WASHINGTON — Coal consumption should jump by more than 4 percent in 1982 while a slight decline in oil consumption should be offset by a slight increase in natural gas use during the year, the Department of Energy predicted in its latest short term energy forecast.

DOE's Energy Information Administration estimated that U.S. oil consumption was 4.3 percent lower in 1981 than it was in 1980 and predicts U.S. oil consumption in 1982 will decline by another 0.7 percent.

Coal consumption should rise by 4.6 percent to 768 million tons in 1982 after rising by 4.5 percent to 734 million tons in 1981, EIA predicted. Coking coal consumption should rise by 6.6 percent to 66 million tons in 1982 due to an economic recovery, EIA said.

Retail and general industry coal consumption after rising in 1981 is expected to decline slightly in 1982.

EIA estimated that coal production in 1981 was 802 million tons, 3.3 percent lower than in 1980 because of the United Mine Workers of America strike. The increased consumption during the year was drawn from large stockpiles.

Coal production is expected to rebound in 1982 to about 887 million tons, which will be 10 percent higher than in 1981 and a new record for U.S. production, EIA said.

EIA estimated that the U.S. exported 104 million tons of coal in 1981, which was 13.7 percent more than the amount exported in 1980. EIA predicted that exports will increase slightly in 1982, but cautioned its figures are subject to uncertainties about the international economy and labor situation.

The generation of electricity should rise by about 2.6 percent in 1982, with 54 percent of it generated from coal, EIA said. The growth in coal-fired generation should be 5.1 percent. — Donna Smith

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Rail Movements, Mining Activity Should Increase in Western States

PORTLAND, Ore. — Rail movements of coal and mining activity in the West are expected to make upswings in coming years, an informal survey of company officials has found.

John H. Hertog, Burlington Northern senior vice president for coal, anticipates his company's unit train volume reaching a peak of 140 million to 145 million tons by 1985. The 1981 unit train movements came to 112 million tons. Final 1981 figures for total movements should reach 121 million tons.

Union Pacific expects 1981 movements to reach 31.5 million tons, a 3-million-ton gain. UP is also sharing with the Japanese firm C. Itoh the engineering costs of a $4 million development to the Long Beach port. The 5 million tons shipped from Long Beach in 1981 should be matched in 1982.

UP's first wholly owned coal mine, near Leucite Hills in Wyoming, should initially produce 500,000 tons yearly beginning mid-1982 out of 5 million tons of total reserves.

Northern Energy Resources, Inc. plans 1982 production of 25 million tons, a 5-million-ton increase. Its Resource Associates of Alaska, Inc. holds mineral rights on 5 million undeveloped acres. — **T.W. Kienlen**

Another Record Expected

Export Pace Will Continue Despite Dredging Setback

By Carl Cahill
Correspondent

NORFOLK, Va. — Export coal shipments through the Port of Hampton Roads are expected to continue at record levels in 1982 despite a setback in deepening ship channels from 45 to 55 feet.

For two years, port interests have requested $400-million in federal funds for the dredging, which would permit larger coal ships to use the harbor. The federal government historically has paid the total costs for ocean-harbor dredging and maintenance, but President Reagan has recommended the end of that practice this year.

A Senate committee has agreed with Reagan's recommendation, but the proposal has not been approved by the House.

If the President's recommendation prevails, "we may have to abandon plans to dredge both inbound and outbound channels to 55 feet and ask the Army Corps of Engineers to deepen only the outbound channels," according to J. Robert Bray, Jr., executive director of Virginia Port Authority.

Up to 300 coal ships a year use the harbor, and loss of the inbound channel dredging would limit the future of bulk imports while serving short-term coal export needs, Bray says.

A Corps of Engineers study in August 1980 indicated that outbound channels could be dredged an additional 10 feet for $160-million to $170-million, or about 40 percent of all channel costs.

Hampton Roads shipped 50 million tons — 75 percent of the U.S. total — of export coal during 1980 and matched that amount in 1981, making it the healthiest East Coast coal base on which to levy users' fees, according to T. Parker Host Jr., chairman of the Hampton Roads Maritime Association's coal and dredging committee.

"I think with our coal volumes and proximity to the Appalachian mines, we have better ability to fund a deeper channel than any other East Coast port," says Wilson J. Browning, a port shipping agent specializing in coal traffic. "Users' fees could actually be helpful in regulating our competition."

Although Hampton Roads interests have consistently lobbied for the continuation of federal subsidies, they say privately they can live with whatever program is legislated. Ports without sufficient deep-water-oriented cargoes to tax would find it almost impossible to secure buyers of their long-term improvement bonds, the maritime association committee has concluded.

By levying only 50 cents a ton on coal and grain, Hampton Roads could raise up to $30-million annually, Host reports. An abbreviated outbound channel program could be funded in less than a decade.

The National Coal Association and the VPA estimate that a foreign shipper using 150,000-ton ships instead of the current 80,000-ton vessel could save up to $5 per ton. The Senate committee estimated that it already costs a shipper $25 to $30 per ton to ship coal through Hampton Roads, with the user's fee adding only a few percentage points to the total cost.

"What the administration and the Senate committee are saying is that if the coal business is real and profitable, dig your channels and bond yourself," says Hal Brayman, a staffer with the committee.

FACTS & FIGURES

Domestic

	WEEKLY 12/26/81	12/19/81	12/27/80
Production			
Bituminous, recent week	10,782	16,490	10,580
Bituminous, year to date	791,118	—	817,288
Anthracite, recent week	77	106	97
Anthracite, year to date	5,938	—	5,955
Railroad carloadings			
Bituminous, recent week	79,867	122,130	72,906
Bituminous, year to date	5,691,410	—	5,706,228
Anthracite, recent week	160	240	139
Anthracite, year to date	19,179	—	27,176

Production data in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Report.

	WEEKLY 12/19/81	12/12/81	12/20/80
Production by states, bituminous and lignite			
Eastern			
Alabama	590	648	624
Georgie	—	—	2
Illinois	1,250	1,390	1,462
Indiana	545	583	574
Kentucky:			
Eastern	2,410	2,625	2,145
Western	950	995	967
Total, Ky.	3,360	3,620	3,112
Maryland	65	75	88
Ohio	710	690	850
Pennsylvania	189	2,040	2,507
Tennessee	210	310	329
Virginia	983	980	1,083
West Virginia	2,260	2,250	2,246
Total, eastern	10,162	12,586	12,877
Western			
Alaska	10	11	10
Arizona	175	190	225
Arkansas	9	10	9
Colorado	455	475	467
Iowa	12	13	11
Kansas	12	15	2
Missouri	90	105	115
Montana	750	740	859
New Mexico	310	340	276
North Dakota	295	315	310
Oklahoma	60	35	95
Texas	500	530	545
Utah	130	160	159
Washington	108	105	110
Wyoming	1,710	1,620	1,610
Total, western	14,788	4,904	4,902
Total, United States	16,490	17,250	16,680

In short tons (000).
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Reports.

	9/81	8/81	9/80
Coal Labor			
All employees			
Coal Mining	259.1	256.0	247.5
Bituminous & Lignite	255.6	252.5	244.1
Production employees			
Coal mining	215.0	211.4	204.7
Bituminous & Lignite	211.9	208.3	201.6
Hours, weekly average			
Coal mining	41.9	42.0	40.6
Bituminous & Lignite	41.9	42.0	40.6
Earnings, hourly average			
Coal mining	12.34	12.09	10.95
Bituminous & Lignite	12.38	12.13	10.99
Earnings, weekly average			
Coal mining	517.05	507.78	444.57
Bituminous & Lignite	518.72	509.46	446.19

Source: U.S. Dept. of Labor, Bureau of Labor Statistics - Employment and Earnings.

	WEEK ENDED 12/19/81	12/12/81	12/20/80
Transportation: railroad			
Eastern district			
Bessemer and Lake Erie	1,744	1,897	1,502
Baltimore and Ohio	6,996	7,743	7,083
Chesapeake and Ohio	16,442	17,289	15,712
Consolidated Rail Corp.	8,163	8,253	8,777
Norfolk and Western	19,488	21,489	18,491
Pittsburgh & Lake Erie	—	—	232
Western Maryland	2,678	2,158	2,465
Other, eastern district	7	13	352
Total, eastern district	55,518	58,842	54,614
Southern district			
Clinchfield Railroad	2,521	2,342	2,419
Illinois Central Gulf	5,081	5,196	4,996
Louisville & Nashville	14,593	14,629	14,224
Southern Railway	9,550	10,024	9,270
Other, southern district	1	10	—
Total southern district	31,746	32,201	30,909
Western district			
Atchison, Topeka & Santa Fe	1,548	1,795	1,474
Burlington Northern	19,355	18,906	20,935
Chicago & North Western	473	576	379
Denver & Rio Grande Western	3,495	4,302	4,233
Kansas City Southern	101	102	99
Chicago, Mil., St. Paul & Pacific	1,411	1,226	975
Missouri-Kansas-Texas	40	74	72
Missouri Pacific	4,541	4,596	4,633
Soo Line	92	82	80
Union Pacific	3,766	4,267	3,312
Other, western district	44	46	18
Total, western district	34,866	35,972	36,210
Total, all districts	122,130	127,015	121,733

	WEEKLY 1/1/82	12/26/81	1/3/81
Monongahela River, Lock no. 3	308,170	239,914	202,330
Allegheny River, Lock no. 2	14,900	10,500	10,500
Ohio River, Montgomery Lock	271,400	256,081	246,512

In short tons through locks.
Source: U.S. Army, Corps of Engineers, Pittsburgh District.

	MONTHLY 10/81	9/81	10/80
Bituminous and Lignite Consumption			
Electric power utilities	47,685	48,385	45,019
Coal user stocks of coal			
Electric power utilities	154,165	144,097	177,564
Anthracite Consumption			
Electric power utilities	115	98	73
Coal user stocks of coal			
Electric power utilities	5,512	5,428	4,481

Note: Data given in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration - Weekly Coal Report.

	9/81	8/81	9/80
Coal User Production			
Major direct users:			
Electric utilities (Mil. Kwh., Weekly, 12/26/81	44,065	47,108	44,711
Steel (Short tons, thousands, Weekly, 1/2/82	1,679	1,588	2,232
Cement, Portland, U.S. shipments (Short tons, monthly, 11/81)	—	—	—
Other significant output:			
Aluminum (short tons, Month, 11/81)	364,375	395,565	427,394
Passenger car production, total (week ended, 11/81)	414,862	534,578	558,570
Machine tools: (monthly)			
Net new orders ($000, 11/81)	193,350	213,800	329,050
Shipments ($000, 11/81)	407,700	406,900	400,150

	MONTHLY 11/81	10/81	11/80
Price Indexes			
Coal	513.1	511.1	475.7
Anthracite	642.5	629.8	491.2
Chestnut, Pa.	547.8	524.3	426.7
Buckwheat No. 1, Pa.	N.A.	691.4	N.A.
Bituminous	508.0	506.4	474.3
Domestic sizes	619.5	619.5	584.8
Retail dealers	293.1	293.1	276.7
Industrial sizes, spot	435.3	437.7	396.4
Steam electric utility	138.2	140.7	120.1
Manufacturing	282.1	282.1	252.8
Metallurgical, high volatile	757.3	757.3	704.2
Metallurgical, low volatile	744.4	744.4	710.4
Industrial sizes, contrat	144.0	143.2	135.3
Steam electric utility	176.0	174.7	164.9
Manufacturing	128.9	127.1	120.2
Metallurgical, high volatile	106.1	106.1	98.9
Coke (foundry by-product)	470.3	470.3	430.6
Birmingham, Ala.	485.2	485.2	439.6
Milwaukee, Wis.	470.8	470.8	420.4
Detroit, Mich.	N.A.	N.A.	N.A.
Indianapolis, Ind.	484.3	484.3	437.7
St. Louis, Missouri	316.1	316.1	286.8
Philadelphia, Penna.	315.6	315.6	285.8

N.A.-Not Available

FACTS & FIGURES

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	9/81	8/81	9/80	9/81	8/81	9/80	9/81	8/81	9/80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,277,407	2,020,573	2,088,676	137,029,709	116,604,337	117,649,459	60.17	57.71	56.33
Canada	696,212	623,250	634,566	42,421,693	37,295,598	38,450,325	60.93	59.84	60.59
Belgium	520,349	315,125	177,844	31,876,057	17,988,659	9,117,645	61.14	57.08	51.61
Italy	518,239	726,781	457,284	28,547,041	41,942,336	23,014,997	55.08	57.71	50.33
France	384,763	673,880	472,848	24,151,308	37,710,920	23,409,860	62.77	55.96	49.51
Spain	331,942	435,358	175,622	19,129,968	25,822,518	8,049,853	57.63	59.31	45.84
Germany, F.R. (West)	293,212	173,924	174,841	16,841,182	10,096,345	9,499,462	57.44	58.05	54.33
Sweden	286,735	60,944	227,299	16,364,500	3,652,513	11,922,624	57.07	59.93	52.45
Brazil	223,739	263,609	163,860	14,061,312	17,008,726	8,813,994	62.85	64.52	53.79
Korea, Rep. (South)	195,046	66,544	—	10,827,781	3,297,477	—	55.51	49.55	—
Yugoslavia	189,078	153,812	—	10,453,735	8,638,599	—	55.29	56.16	—
Netherlands	138,214	253,674	197,430	7,894,456	10,840,164	9,764,452	57.12	42.73	49.46
Egypt	123,398	51,672	119,660	7,004,795	2,934,494	6,346,410	56.77	56.79	53.04
Total, above	6,178,334	5,819,146	4,889,930	366,543,537	333,832,686	266,039,081	59.33	57.37	54.41
Total, other nations	573,734	728,866	671,074	33,493,131	42,742,316	34,640,254	58.38	58.64	51.62
Total, all nations	6,752,068	6,548,012	5,561,004	400,036,668	376,575,002	300,679,335	59.25	57.51	54.07
Bituminous coal, others No. 5213120									
Canada	1,542,450	1,305,468	900,820	73,391,622	62,346,600	37,558,021	47.58	47.76	41.69
Italy	442,062	206,759	99,770	20,530,324	9,921,083	3,824,570	46.58	47.98	38.33
Japan	413,521	211,655	21,012	20,637,683	11,285,972	1,184,364	49.91	53.32	56.37
Denmark	369,687	218,767	207,179	15,736,966	9,942,180	7,459,248	42.57	45.45	36.00
France	305,198	435,179	338,092	14,051,274	17,647,530	12,035,151	46.04	40.55	35.60
China, Taiwan	299,261	192,122	65,881	12,400,219	7,738,478	2,432,936	41.44	40.28	36.93
Germany, F.R. (West)	291,961	261,335	50,119	14,557,644	12,701,846	2,357,060	49.86	48.60	47.03
Switzerland	267,516	57,876	—	12,406,601	1,942,651	—	46.38	33.57	—
Spain	253,817	392,053	133,380	12,042,260	17,060,081	7,097,011	47.44	43.51	53.21
Netherlands	237,733	714,209	214,800	10,072,791	37,044,974	9,581,026	46.16	51.87	44.60
Finland	220,369	136,326	74,961	10,240,682	6,972,443	3,198,408	46.47	51.15	42.67
Total, above	4,643,575	4,131,749	2,106,014	217,028,072	194,603,838	86,727,795	46.74	47.10	41.18
Total, other nations	193,150	354,251	598,754	10,274,092	15,724,550	22,243,235	53.19	44.39	37.15
Total, all nations	4,836,725	4,486,000	2,704,768	227,302,164	210,328,388	108,971,030	47.00	46.89	40.29
Lignite No. 5213130									
Total, all nations	3,701	3,258	2,485	1,011,007	410,459	302,439	273.17	125.98	121.71
Coal coke for use as fuel No. 5213148									
Total, all nations	86,830	53,827	198,930	5,508,375	3,482,014	13,237,233	63.44	64.69	66.54
Petroleum coke, except calcined No. 5213150									
Japan	171,894	182,294	175,207	9,263,055	8,618,078	6,874,507	53.89	47.28	39.24
France	106,785	51,915	736	7,064,637	3,351,416	37,440	66.16	64.56	50.87
Total, above	278,679	234,209	175,943	16,327,692	11,969,494	6,911,947	58.59	51.11	39.29
Total, other nations	243,550	452,613	414,886	11,840,702	22,919,175	17,736,054	48.62	50.64	42.75
Total, all nations	522,229	686,822	590,829	28,168,394	34,888,669	24,648,001	53.94	50.80	41.72
Compositions for fuel No. 5213160									
Total, all nations	11,258	41	42	653,924	17,637	5,537	58.09	430.17	131.83
Anthracite No. 5213170									
Korea, Rep. (South)	133,105	190,770	—	4,504,668	6,212,769	—	33.84	32.57	—
Spain	100,102	—	—	4,226,212	—	—	42.22	—	—
Total, above	233,207	190,770	—	8,730,880	6,212,769	—	37.44	32.57	—
Total, other nations	73,868	87,341	95,997	4,787,494	6,267,6866	5,806,587	64.81	71.76	60.49
Total, all nations	307,075	278,111	95,997	13,518,374	12,480,435	5,806,587	44.02	44.88	60.49

In Possible Development of U.S. Properties

Joint Venture Talks Held with Ruhrkohle, Others, Amax Confirms

(Continued from page 1)

weeks. Analysts interpret this activity to Amax's present financial condition, pointing out that low demand, especially for molybdenum, has hurt Amax throughout 1981.

Pierre Gousseland, chairman, discussed at the annual meeting last spring the possibility of "a deployment of assets" without specifically mentioning coal.

The company indicated earlier that it was interested in finding partners to help develop specific coal properties if there might be a spinoff of the coal subsidiary through the sale of some percentage of it. Back in 1974, Amax took similar action when it sold half of its Alumax aluminum operation to Mitsui of Japan, which subsequently sold 10 percent of its holding in the Co. to Nippon Steel. Amax retains its 50 percent ownership of Alumax.

The possibility of a joint venture with Ruhrkohle could pose some interesting problems since much of Amax's coal reserves are located in lands held under federal leases. Ruhrkohle was formed by the Bonn government in the late 1960s from the majority of underground coal companies operating in the Ruhr Valley. The government provided support for the industry whose existence was then threatened by burgeoning oil imports.

All of Ruhrkohle's operations are underground, which led many observers to the belief that the "discussions" were actually being held with Rheinische Braunkohlenwerve AG (Rheinbraun), which operates the world's largest open pit mine near Cologne and mines "brown coal" in the triangle between Aachen-Cologne-Dusseldorf. All of Rheinbraun's operations are open pit mines.

Ruhrkohle produced an estimated 69-million tons of coal in 1980, about 75 percent of that nation's output of hard coal.

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COAL INDUSTRY NEWS

JANUARY 25, 1982 *Coal's National Newspaper* Volume 6, Number 1 $1 a Copy; $24 a Year

NEWS ROUNDUP

Changes in federal black lung legislation are being urged by Congress' General Accounting Office. In a report, it notes that the Coal Mine Health and Safety Act authorized the Labor Department to approve claims on conflicting or inconclusive medical evidence affidavits from spouses and others, or presumptions based on years of coal mine employment. GAO suggests that **medical evidence be the basis for determining disability** and death from black lung and that benefits should be awarded only to miners who are totally disabled by black lung or to their survivors.

* * *

Europeans are eager to buy U.S. coal because of its high quality, "relative closeness of supply, and the political stability and acceptability of this nation," said Assistant Commerce Secretary William B. Morris Jr., who heads the Reagan administration's coal interagency working group. But Morris, who just completed a market exploration trip to France, Italy, Belgium and The Netherlands, added that he also **found doubts about U.S. commitment** to upgrading transporation systems, maintaining quality control and remaining cost competitive.

* * *

Australia's coal miners went on strike as labor-management relations worsened. Exports ceased almost immediately as 76 mines in New South Wales closed. But the **real impact will be more general** if the government is forced to reintroduce electric power restric-

(Continued on page 2)

INSIDE

HOW MUCH ALTON COAL will be mined is a matter for the courts, not the Interior Department, to decide, a federal judge ruled. **Story on page 2.**

A CRACKDOWN ON FRAUD produced a series of arrests in New York and Boston, with the far-reaching investigation continuing, reports Gene Smith **on page 3.**

THE SYNTHETIC FUELS CORP. cut several proposals from funding consideration. Eight of the remaining 11 projects involve coal, observes Marcy Gordon **on page 4.**

CLEAN AIR REGULATIONS must be maintained if the public is to accept greater coal use, testified Russell Train, former Environmental Protection Agency administrator. **Story on page 7.**

Gov. Brown, Sam Church to Meet

Kentucky Considers Blasting Restrictions

Special Section
EXPLOSIVES
Inside

By Steve Marcy

WASHINGTON — Kentucky officials have promised to meet with United Mine Workers President Sam Church, Jr. to consider banning the blasting technique that may have led to the deaths of seven miners near Grethel, Ky., last week.

UMW sources told *Coal Industry News* that Church would meet with Gov. John Y. Brown, probably this week, and other officials to discuss putting before the Kentucky legislature a bill banning a practice known as "shooting the solid," in which bore holes are angled into a solid coal seam in a "V" pattern and filled with explosives. The blasted coal is then scooped up and hauled to the surface.

The UMW sources could not confirm when the Church-Brown meeting would occur. Church was traveling through the Appalachian coal fields last week and the disaster completed disrupted his schedule. It was thought that UMW safety division head Joe Taylor would also attend.

The disaster occurred in eastern Kentucky's Floyd County, close to the Virginia border. Both states have procedures for certifying shot firers, and only they are allowed to conduct the practice. A Mine Safety and Health Administration official here said it would not be known how many of the victims killed Wednesday were certified.

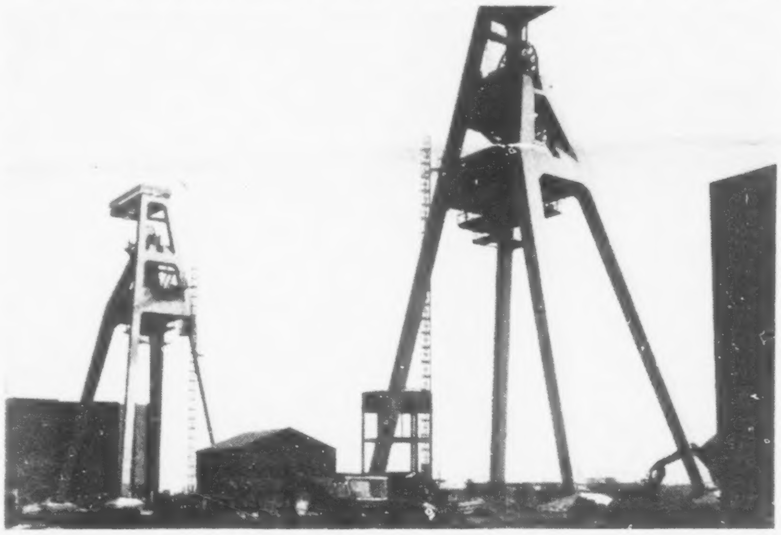
A Virginia official said that "conventional" mining, which uses explosives, is permitted throuhout Appalachia, thought it is declining in use. He knew of no state that has banned the practice.

The accident occurred in the district of Rep. Carl Perkins, D-Ky., chairman of the Education and Labor Committee that has jurisdiction over the Mine Safety and Heath Act. Perkins' office said he had not signaled any plans to make a statement. His office also could not say what views, if any, Perkins has on blasting into solid coal seams.

Puzzling Aspect

Willard Stanley, Kentucky's state mines and minerals commissioner, speculated that explosives caused the disaster. Puz-

(Continued on back page)



REACTIVATED IN 1981 after 25 years, the Thorne Colliery works, along with other British coal mines, would have been idled had the National Union of Mineworkers membership voted to strike. The Yorkshire facility's design, geared to aesthetics as well as efficiency, received a major design award for its twin headframes. (British National Coal Board photo)

Union's Strike Rebuff Offers U.K. Chance to Build on Export Inroads

By Steve Sasanow

LONDON — The prospect of a disruptive walkout by the United Kingdom's 220,000 mineworkers has subsided now that 55 percent of the National Union of Mineworkers membership has rejected their leadership's call for a strike.

In announcing the results, the union said 113,144 miners voted to accept the pay offer and 91,477 voted against it. Eighty-two percent of the miners voted, officials added.

A work stoppage over the National Coal Board's 9.3 percent annual wage increase offer could have ended in a major confrontation with the government both over pay awards and energy supplies. Up to now Prime Minister Margaret Thatcher and her cabinet have kept a low profile on the dispute indicating that it was a matter for the coal board and the miners to settle between themselves.

Negotiations will resume Tuesday with every prospect of a settlement now that the strike weapon has been removed from the mineworkers' union armory.

The outcome of the rank-and-file's vote Jan. 14 and 15 was announced by the union's leadership last week. It is being seen as a rebuff to the mineworker union's militant faction of the mineworkers' union, previously assumed to be in the ascendancy following the election of leftwinger Arthur Scargill to succeed moderate Joe Gormley as president of the union.

Derek Ezra, the coal board's chairman, is particularly anxious to defend the surprising inroads that the United Kingdom is making into the European market at a time of deep recession and gloom. From a figure of 4.8 million metric tons in 1980, the U.K. exported 9 million metric tons last year (plus another 1.5 million metric tons of coking coal, mainly to Finland). The target figure is to reach 15 million metric tons in the next year or two.

(Continued on page 4)

$15 Million Coal Terminal Project May Be Shelved

By Carl Cahill

CHESAPEAKE, Va. — Lack of long-term contracts with coal exporters and buyers may cause plans for a $15 million coal terminal here to be abandoned.

"We had some success finding users for a pier," said Harold C. Greenberg, "but we are not comfortable with our progress. We now want to re-evaluate the entire coal market." Greenberg is president of the Florida-based First Miami Corp. which holds an option on a 43-acre waterfront site on the southern branch of the Elizabeth River.

He said that his company could lose the option if it does not act by Jan. 31. "We'll probably make some decision in the next couple of weeks," he told *Coal Industry News*.

In the spring of 1981, First Miami bought an option on the 43 acres and announced plans to build a coal terminal. Later, the firm bought an adjacent 34 acres and announced plans to use it both for the coal pier and a railcar assembly plant.

The railcar assembly plant is under construction, according to Greenberg, but his company has not done "anything at all" on an extension of its option on the 43 acres.

Nor has First Miami filed requests for the use permit and environmental permits it would need for the coal pier, Greenberg said. Such permits would take at least 60 days to process, according to James Kirby, assistant planning director for Chesapeake.

The Cheasapeake coal pier plans are not the only ones experiencing difficulty. A proposed $90 million pier in Baltimore was abandoned temporarily last fall when three of four coal exporters dropped from the plan, and new coal pier proposals from New Orleans north to New York are being re-evaluated because of high interest rates and the uncertainity of the future of the export market, according to the National Coal Association.

A proposed state-owned coal pier in Portsmouth may be cut from an annual capacity of 27 million tons to 18 million tons because of the uncertainity of the market through 1990, said Richard C. Culbreth, a Virginia Port Authority spokesman.

Strike Rejection Gives U.K. Chance to Expand Exports

(Continued from page 1)

The export breakdown shows the coal board successful, albeit in a small way, in many European countries. Belgium takes 210,000 metric tons; France 2.75 million; West Germany 1.5 million; Italy 70,000; Luxembourg 30,000; The Netherlands 500,000; Denmark 1.9 million; Norway 65,000; Sweden 16,000; Portugal 31,000; Spain 90,000; and the Republic of Ireland 340,000.

WHERE U.K. 1981 COAL EXPORTS WENT

(In millions of metric tons)

France	2.75
Denmark	1.90
West Germany	1.50
Italy	0.70
Holland	0.50
Irish Republic	0.34
Belgium	0.21
Sweden	0.16
Spain	0.09
Norway	0.06
Portugal	0.03
Luxembourg	0.03

Source: British National Coal Board

In order to keep this trade, the coal board reluctantly concedes that it is selling at less than the market price of 36 to 37 pounds per metric ton ($68.40 to $70.30 U.S.) although not, it emphasizes, below cost of production. The obvious explanation is that the coal board is keen to deplete its mounting stocks. At home these total around 42 million metric tons, half of which is held by the U.K.'s main customer, the Central Electricity Generating Board.

Because of the high stocks, the the electricity board was not unduly perturbed by the strike threat to its power stations (80 percent dependent on coal) and other possible repercussion on Britain's electricity supply. The electricity board, while burning around 1.8 million metric tons a week, reckoned it would be able to survive at least 10 weeks with careful management.

What the electricity board made very clear to the the coal board, and thus to the miners, was that any disruption would jeopardize the supplies agreement with the the coal board, forced on it by the government to protect coal production.

The electricity board's agreement to buy a minimum of 75 million metric tons a year was conditional on price increases remaining below the rate of inflation and on continuity of supply.

The most recent price increase to the power plants was 7.5 percent, well below the current inflation rate of 12 percent. But if the coal board had lost its battle to keep wage levels within budget, then the inevitable rise in the price of coal would have shattered the the electricity board deal.

The electricity board would have started to look again overseas for cheaper supplies, especially for its south coast and Thames River power stations where imported coal, despite transport costs, compete with U.K. production. It also has 1 million metric tons of Australian coal stored in Europe for use in any emergency.

Prospects of coal imports from the USA or Australia in any quantity, however, seem unlikely. The coal board at least says that only the unusually high exchange value of sterling allowed that particular trade to flourish in 1979-80.

The other major home customer, the nationalized steel industry, might also have been tempted to look elsewhere. Despite its own production problems steel is upping its intake of U.K. coal from 4.7 million metric tons to nearer 5.25 million metric tons in 1982, but trend might have been reversed.

All in all, therefore, an end to strike talk is welcome news not least because of the delicate state of the current investment program.

Only after a concerted campaign by both the coal board management and the mineworkers' union did the government agree to substantially underwrite the continuation of the $135 million investment plan for coal. Any rocking of the boat could have taxed government patience with the inevitable outcome of pit closures and confrontation. Not that the miners are going to go away for long. In July they will meet to formulate next year's pay demand, and under the new leadership this is bound to be controversial. The fact is there are in the mineworkers' union those who regard the mining workforce as a key weapon in attacking the Tory government. They succeeded in 1974 in bringing down the Edward Heath Administration and still hope one day to repeat the performance against Margaret Thatcher.

In 8 of 11 Remaining Qualifying Projects

Synthetic Fuels Corp. Favors Coal in Wake of its Project Funding Cuts

By Marcy Gordon

WASHINGTON — Eleven project proposals — eight involving coal — have survived the "first cut" by the Synthetic Fuels Corp.'s board.

The corporation's directors selected the projects from a pool of 28 in a closed session during their meeting in Nashville, Tenn., last week. The 11 synfuels ventures will now be carried along to the next phase of deliberations under the corporation's first, $8.4 billion round of financial assistance.

The "first cut" projects include seven coal conversion ventures, one involving heavy oil, one with oil shale, one with coal-oil mixtures and one with peat.

They are:

- North Alabama Coal Gasification Project, Murphy Hill, Ala. — Originally started by the Tennessee Valley Authority, the project would use a GKT gasifier to produce 355 million gallons a year of methanol, starting in 1986. Sponsors: Santa Fe International, Kidder Peabody and Air Products & Chemicals (loan guarantee requested).
- Cool Water Gasification Project, Daggett, Calif. — Would use the Texaco gasification process to produce 4,300 barrels of oil equivalent per day, starting in 1983. Sponsors: Texaco, Inc., Southern California Edison Co., Electric Power Research Institute, Bechtel Power Corp., General Electric Co., Empire State Electric Energy Research Co. and JCWP, a Japanese consortium.

The sponsors originally requested a joint venture with the corporation, but are now seeking a price guarantee.

- Breckinridge Project, Breckinridge County, Ky. — Would use the H-Coal direct liquefaction process to produce 49,800 b/d of liquid products, starting in 1987. Sponsors: Ashland Oil, Inc. and Bechtel Petroleum, Inc. (loan guarantee).
- Memphis Light, Gas & Water Project, Memphis, Tenn. — Would use the U-gas process to produce 50 billion BTUs per day of medium-BTU industrial gas, starting in January 1985. Sponsor: City of Memphis (price and loan guarantees).
- Tennessee Synfuels Associates Project, Oak Ridge, Tenn. — Would use KBW gasifiers, Pullman Kellogg methanol synthesis and the Mobil MTG catalytic process to produce 50,000 b/d of gasoline, starting in 1985. Sponsors: Koppers Co., Inc. and Cities Service Co. (price and loan guarantees).
- Hampshire Energy Project, Gillette, Wyo. — Would use KBW and Lurgi gasifiers, methanol synthesis and the Mobil MTG process to produce 19,377 b/d of unleaded gasoline, 914 b/d of liquefied petroleum gas and 1,618 b/d of mixed butanes, starting in 1985. Sponsors: Kaneb Services, Inc., Koppers Co., Inc., Northwestern Mutual Life Insurance Co., Metropolitan Life Insurance Co. and Standard Oil Co. of Ohio (The latter is not requesting financial assistance.) (price and loan guarantees).
- Wyoming Coal Conversion Project, Converse County, Wyo. — Would produce 300 million cubic feet per day of high-BTU gas. Sponsors: Panhandle Eastern Pipeline Co. and Ruhrgas Carbon Conversion, Inc. (price and loan guarantees).
- Calsyn, West Pittsburg, Calif. — Would use "dynacracking" to convert heavy oil into 1,645 b/d of fuel gas, 2,211 b/d of naphtha and 1,463 b/d of a heavy petroleum distillate. Sponsor: California Synfuels Research Corp. (loan guarantee).
- Paraho Ute Shale Oil Facility, Uintah County, Utah — Would use the Paraho surface retorting technology to produce 30,000 b/d of shale oil, starting in mid-1986. Sponsor: Paraho Development Corp. (price and loan guarantees).
- CoaLiquid Project, Shelbyville, Ky. — Would produce 1,000 b/d of coal-oil mixtures by pulverizing coal, mixing it with fuel oil and water, and emulsifying the mixture with ultrasonic treatment. Sponsor: CoaLiquid, Inc. (price guarantee and purchase agreement).

The project beat out a rival proposal sponsored by Banklick Corp. and R.C. Durr Co., Inc., to produce 6,060 b/d of coal-oil mixtures in Jacksonville, Fla.

- First Colony Project, Creswell, N.C. — Would convert peat to methanol (156,000 gallons per day) using KBW gasification technology, starting in 1984. Sponsors: Energy Transition Corp., First Colony Farms and J.B. Sunderland (price and loan guarantees).

Project sponsors for the Cool Water gasificiation facility decided to go ahead with construction last month after they tired of waiting for $75 million in aid from the corporation. The Electric Power Research Institute obligated itself to make up any shortfalls in funding that might occur if not enough project participants could be found to cover costs.

These qualifying proposals, deemed mature by the corporation, will now move on to the "project strength" phase of evaluation. They will be judged according to technological soundness (including scale-up risks), potential for replication, management capability, economic viability, marketability of output and compliance with regulations, especially environmental.

For the projects that pass the strength test, contracts for financial assistance will likely be signed four to six months after the board's next meeting in mid-February.

The 17 "losers" include three coal conversion projects (sponsored by Mapco Inc. of Tulsa, EG&G Inc. of Fall River, Mass. and A-C Valley Corp. of Venango County, Pa.), five shale proposals, four with tar sands, one with heavy oil, three "exotics", and the Banklick coal-oil mixture proposal.

Opposition to Synfuels Corp. Funding Rumbles

WASHINGTON — A freshman Republican Congressman is considering introducing legislation to repeal the $12.2 billion appropriated by Congress to the corporation in 1980.

Rep. Hank Brown, R-Colo., sent a letter to President Reagan last fall advocating, along with other budget-cutting measures, a rescission of the corporation's funding and the $1 billion carried forward from the Department of Energy's interim synfuels program.

"I think the climate (in Congress) is becoming more receptive for (the rescission)," an aide to Brown told Coal Industry News. "At a time when we're cutting aid (for social programs), it's not in the interest of the country to give aid to major oil companies. It's clear to us that the (synfuels) program has been a failure."

He said Brown could move to cut off synfuels funding during Congress' upcoming debate on the administration's proposed budget for fiscal 1983.

Brown, who was president of the Republican freshmen in the House, told Reagan in the letter that "even though almost all of the oil shale projects eligible for federal subsidies under (the DOE interim program) are located in my congressional district, I do not think we can justify federal support for major energy companies."

A letter with a similar message was sent to Budget Director David Stockman last week by Rep. Jack Kemp, R-N.Y., one of the early architects of Republican tax policy.

Kemp criticized Stockman's proposed increases in taxes on cigarettes, alcohol and gasoline, and asked the budget chief why he is ignoring billions of dollars in "corporate welfare" — including federal subsidies for synfuels projects.

"At a time when the world is awash in oil," Kemp wrote, "the federal government is spending over $3 billion to build synfuel plants for Exxon, Gulf and Union Oil of California."

The letter was also signed by Rep. Trent Lott, R-Miss., the assistant House Republican leader. — Marcy Gordon

Methanol Unit Tested

GRREENWICH, Conn. — Amax Inc. is testing a methanol powered diesel tractor in mine reclamation at its Ayrshire Mine near Evansville, Ind. The test is part of an Amax feasibility study of coal-to-methanol fuels. The Evansville test is scheduled for 2,000 hours. Tractor engine is a 210 horsepower Caterpillar D7 unit.

A recently completed Amax study of a prospective plant to produce daily 2,100 tons of methanol from coal demonstrated technical feasibility, but indicated the market for methanol would not absorb the plant's output. Plans for construction have been postponed.

Colorado Mines Bought

BOSTON — Subsidiaries of Eastern Gas and Fuel Associates and Nicor Inc. of Naperville, Ill., have completed their purchase of two steam coal mines near Grand Junction, Colo.

Coal Accounts for 60% of Their Market

Explosives Suppliers Look Forward to Second Half '82

by Gene Smith
and John A. Moore

NEW YORK — Heavy coal inventories and uncertainty in major coal consuming industries are casting a shadow over explosives sales to the coal market for the first six months of 1982. Beyond that, the picture appears to brighten.

With nearly 60 percent of United States explosives and blasting agents consumption going into coal mining, projections of a 10.1 percent increase in U.S. coal production for the year as a whole are being welcomed by those who supply the mines.

Reflecting individual coal company forecasts which mix optimism with caution, explosives marketers express guarded hopes that 1982 will see their products consumed at a rate matching or topping the 2.5 billion pounds domestic coal mining used in 1980. This compared to 2.24 billion in 1979.

Reviewing 1981 explosives business, much depended on where you stood in the marketplace. Companies with heavy positions in quarrying, coal mining's nearest rival as a consuming industry, accounting for some 30 percent, and construction, at about 25 percent, felt the economic problems being encountered in those industries.

Engineers Viewpoint

"Most construction work was down," reports Donald H. Matthews, president of the Society of Explosives Engineers. "In some places, the coal industry was very depressed. Some mining in the far West was very active, including coal. The deep miners did very well. In New England, construction was very bad and quarrying was off in most places."

Dr. Clavin J. Konya, executive director of the trade association, concurs, remarking that "overall, coal was about the same as a year ago."

That wasn't particularly bad. The U.S. Bureau of Mines has estimated 1980 conumption of explosives and blasting agents neared the 4.3 billion pound mark, about 4 percent over the previous year's figure.

Because of high coal stocks, electric utility load and finance uncertainties, a murky steel mill outlook and a lagging construction market, rosy forecasts for explosives are scarce short-term. This is despite a National Coal Association projection of an 11.9 percent increase in Eastern production and 6.6 percent rise at Western mines. It is partially because the NCA also expects a 10.8 percent rise in coking coal demand during 1982.

Not Bragging

The outlook for the coming year is really nothing to brag about, according to Matthews and Konya.

"I don't see anything fantastic for explosives this year," says Matthews, who is also president of Explosives Engineers Inc., Sparks, Md.

"If construction opens up,it could be a good year," Konya believes. "Some of our members are optimistic, but they don't see any real improvement before late summer. Over the long term, obviously, we know that coal usage will have to increase and we expect out business to improve with that."

Conoco Inc., parent of Consolidation Coal Co., in a new forecast, projects that domestic coal demand will rise at an average annual rate of 4 percent, from 800 million tons in 1980 to 1.2 billon tons in 1990. This would mean a climb from 20 percent of total U.S. energy consumption in 1980 to 26 percent in 1990.

In *Coal Industry News'* 1982 Outlook Issue (Jan. 11), John Corcoran, chairman of this newspaper's Editorial Advisory Board, has estimated that utility consumption could reach 890 million to 900 million tons in 1990, with industrial consumption at 145 million to 150 million. On top of this would be steam coal exports of 75 million to 90 million tons.

Such projections support long-term optimism in the explosives and blasting agents industry.

The SEE's Matthews feels "the first six months will be very slow because of heavy inventories of coal and at the quarries."

Some Doing Good

Like others, he points out that some companies did very well — and expect a good year. "For our industry," explains Matthews, "it will depend on the specific areas. I know of one account of ours that is busier than ever and looks to continue that way, but I wouldn't care to identify it."

For some companies, geography counts. In 1980, seven states consumed 58 percent of all explosives and blasting agents. In order, these were: Ky., Pa., Ala., W. Va., Ohio, Ariz. and Ind.

Companies in the business include: DuPont, Atlas, Hercules, American Cyanamid, Austin Powder, Gulf Oil Chemicals, Monsanto, Union Oil of Calif., Phillips, IMC Chemical, Southern Explosives, Ireco, Columbia Nitrogen, Goex, W.R. Grace, Kaiser, Sierra Chemical, U.S.Steel, Independent Explosives and Hawkeye Chemical.

Matthews and Konya were interviewed as they prepared to attend the 8th annual meeting of the Society of Explosives Engineers at New Orleans.

From 30 Nations

At the gathering, a mutual interchange of ideas will take place between members from 30 nations.

Traditionally, the SEE annual assemblage has featured no formal central theme. Rather, the society's members listen to technical papers and discuss the latest in explosives and blasting technology. The need for simplified governmental regulations is expected to be a topic at the SEE meeting, and both Matthews and Konya feel that overly restrictive regulations have been one of the industry's chief problem areas.

Matthews put it this way:

"The big problem is regulatory at all levels, primarily because we are dealing with explosives and there are so many different attitudes involved. We are definitely oriented towards safety and efficiency because we can't afford to face a lot of claims against us. But we are agreed that we are saddled with too much paperwork."

Asked to identify those states that have the most sensible attitudes towards explosives, Konya came up with "probably Pennsylvania, New Jersey and Kentucky." To which Matthews added: "Maryland is one of the most closely regulated states, probably because it's so close to Washington and OSHA." He hastened to add that "the East Coast area tends to have more intensive statutes than the rest of the nation."

Technical Sessions

The agenda for this year's meeting at New Orleans is replete with technical discussions of new and proven blasting techniques. There appears to be special emphasis on the after-effects of blasting on the public. One session is entitled "The Strange World of Insurance".

George E. McCormack, a consultant, will also report on coal mining and tunneling in China.

The association produces a large paperbound volume of each year's proceedings. This is virtually a primer on the latest techniques of a highly specialized field vital to the coal industry.

The SEE is dedicated to the idea that commercial explosives benefit humanity. Its conference on explosives and blasting technique reflects this. Its program is overseen by a panel of experts representing universities, industry and government.

Uniformity Need

At its 7th annual meeting, Lawrence C. Schneider, Kentucky's top explosives official, stressed the need for uniformity and consistency in regulation.

Schneider pointed out the need for careful control and regulation of explosives to prevent accidents and prevent misuse. He mused that between government and industry, "this is just about the extent of agreement between these two groups."

In 1980, Kentucky consumed 749 million pounds of industrial explosives. Schneider estimated that his state accounts for about 16 percent of the national market.

The Kentucky official recalled the flap caused when the governmental body he heads was set up — and when it tried to coordinate local and state laws and then get "a meeting of the minds" with federal agencies.

He pointed to Kentucky's excellent safety record in a state where 4,500 persons were employed as blasters."

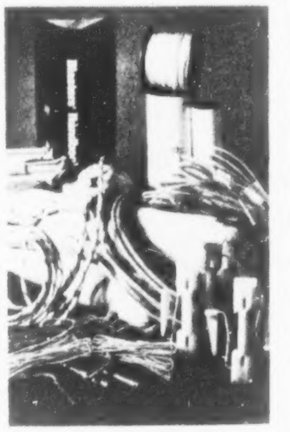
How come? Because, he replied, Kentucky took the approach that "the most complex set of regulations will do more harm than good if they are not understood or cannot be applied with common sense."

EXPLOSIVES AND BLASTING SALES TO COAL MINING

(Thousands of pounds)

	1979	1980
Permissibles	44,891	52,476
Other high explosives	25,783	24,912
Water gels and slurries	74,739	93,916
Ammonium nitrate fuel-mixed blasting agents	889,368	981,454
Unprocessed ammonium nitrate	1,202,612	1,350,601
Total	2,237,393	2,503,359

Source: Bureau of Mines, "Mineral Industry Surveys", Explosives Annual.



Society of Explosives Engineers Plays Key Role in Industry's Progress

CLEVELAND — The Society of Explosives Engineers, the organization of those involved in blasting engineering and related technology, has the markings of both a professional society and a trade association.

Headquartered at Montville, Ohio, about 35 miles east of Cleveland, the SEE is a direct decendent of the American Blasting Society, boasting a long and significant history of contributions to coal mining and other industries.

Membership in the organization is open to "any individual who is presently engaged in explosives engineering," which the society describes as "that area of engineering practice where judgment and experience are utilized in the application of scientific principles and techniques as pertains to construction, quarrying, mining, demolition, geophysical prospecting, vibration control, drilling and blasting, and the use and handling of explosives in general."

The Society of Explosives Engineering's objectives include:

- Advancing the science and art of explosives engineering.
- Promoting explosive engineering for the public good — through research, education and other constructive efforts.
- Providing forums and media through which experiences with the principles and techniques of explosives engineering may be reported, discussed, and published in the furtherance of the general benefit.
- Maintaining a repository for information, both foreign and domestic, on the science and art of explosives engineering.
- Assisting public agencies as a body of specialists composed of all segments of the explosive industry readily available to give services in matters which affect the manufacture, transportation, storage, and the use of explosives and related equipment.
- Establishing certification procedures for all explosives engineers and practitioners.
- Promoting standardization of terminology in explosives engineering, and so far as practicable, develop standard methods.
- Encouraging inclusion of explosives engineering instruction in engineering curricula.

The SEE cooperates with other national and international organizations having common or related objectives, in furtherance of the public interest.

The society's membership encompasses not only those from in the United States, where it was formed, but many in Canada and elsewhere. It has 26 corporate members, including three from outside the United States. Members reside in 47 states and 30 countries.

FACTS & FIGURES Domestic

	WEEKLY		
	1/9/82	1/2/82	1/10/81
Production			
Bituminous, recent week	16,949	12,590	14,805
Bituminous, year to date	17,956	—	16,996
Anthracite, recent week	126	99	30
Anthracite, year to date	138	—	136
Railroad carloadings			
Bituminous, recent week	114,427	93,258	103,530
Bituminous, year to date	121,225	—	118,850
Anthracite, recent week	231	226	131
Anthracite, year to date	244	—	155

Production data in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Report.

	WEEKLY		
	1/9/82	1/2/82	1/10/81
Production by states, bituminous and lignite			
Eastern			
Alabama	552	410	542
Georgia	—	—	1
Illinois	1,258	950	1,050
Indiana	619	410	554
Kentucky:			
Eastern	2,226	2,145	2,167
Western	852	750	809
Total, Ky.	3,078	2,895	2,976
Maryland	83	50	46
Ohio	794	525	759
Pennsylvania	1,703	1,305	1,755
Tennessee	194	130	133
Virginia	852	610	816
West Virginia	2,476	1,750	2,445
Total, eastern	14,687	11,930	14,053
Western			
Alaska	15	10	10
Arizona	213	130	145
Arkansas	4	10	8
Colorado	387	340	352
Iowa	12	10	10
Kansas	15	11	16
Missouri	106	110	91
Montana	658	525	622
New Mexico	387	280	64
North Dakota	353	260	206
Oklahoma	108	45	80
Texas	639	410	478
Utah	290	125	225
Washington	101	75	85
Wyoming	2,052	1,214	1,336
Total, western	5,340	3,555	3,728
Total, United States	16,949	12,590	14,805

In short tons (000).
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Reports.

	MONTHLY		
	11/81	10/81	11/80
Coal Labor			
All employees			
Coal Mining	260.8	257.3	250.1
Bituminous & Lignite	257.3	253.8	246.6
Production employees			
Coal mining	216.6	212.6	207.0
Bituminous & Lignite	213.5	209.5	203.9
Hours, weekly average			
Coal mining	41.6	42.8	40.2
Bituminous & Lignite	41.6	42.8	40.2
Earnings, hourly average			
Coal mining	12.42	12.17	11.24
Bituminous & Lignite	12.46	12.20	11.27
Earnings, weekly average			
Coal mining	516.67	520.88	451.85
Bituminous & Lignite	518.34	522.16	453.05

Source: U.S. Dept. of Labor, Bureau of Labor Statistics - Employment and Earnings.

	WEEK ENDED		
	1/2/82	12/26/81	1/3/81
Transportation: railroad			
Eastern district			
Bessemer and Lake Erie	1,241	1,356	716
Baltimore and Ohio	5,447	4,767	3,874
Chesapeake and Ohio	10,565	9,592	9,448
Consolidated Rail Corp.	5,300	4,537	6,429
Norfolk and Western	15,428	10,624	14,216
Pittsburgh & Lake Erie	49	—	48
Western Maryland	1,708	2,098	1,469
Other, eastern district	11	3	530
Total, eastern district	39,749	32,977	36,730
Southern district			
Clinchfield Railroad	1,719	1,006	1,535
Illinois Central Gulf	3,225	2,875	3,791
Louisville & Nashville	9,844	6,608	9,134
Southern Railway	8,232	5,150	6,398
Other, southern district	—	—	—
Total southern district	23,020	15,639	20,858
Western district			
Atchison, Topeka & Santa Fe	1,110	1,092	1,100
Burlington Northern	19,066	20,671	21,848
Chicago & North Western	561	555	386
Denver & Rio Grande Western	2,839	2,197	3,594
Kansas City Southern	95	111	108
Chicago, Mil., St. Paul & Pacific	970	1,206	815
Missuri-Kansas-Texas	24	24	107
Missouri Pacific	3,209	2,531	3,376
Soo Line	75	83	102
Union Pacific	2,497	2,744	2,773
Other, western district	50	37	—
Total, western district	30,496	31,251	34,209
Total, all districts	93,265	79,867	91,797

	WEEKLY		
	1/16/82	1/9/82	1/17/81
Monongahela River, Lock no. 3	320,896	364,712	278,750
Allegheny River, Lock no. 2	4,600	16,000	7,200
Ohio River, Montgomery Lock	214,650	251,200	225,700

In short tons through locks.
Source: U.S. Army, Corps of Engineers, Pittsburgh District.

	MONTHLY		
	10/81	9/81	10/80
Bituminous and Lignite			
Consumption			
Electric power utilities	47,685	48,385	45,019
Coal user stocks of coal			
Electric power utilities	154,165	144,097	177,564
Anthracite			
Consumption			
Electric power utilities	115	98	73
Coal user stocks of coal			
Electric power utilities	5,512	5,428	4,481

Note: Data given in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration - Weekly Coal Report.

	9/81	8/81	9/80
Coal User Production			
Major direct users:			
Electric utilities (Mil. Kwh., Weekly, 1/9/82	46,017	41,799	48,796
Steel (Short tons, thousands, Weekly, 1/9/82	1,778	1,679	2,324
Cement, Portland, U.S. shipments (Short tons, monthly, 11/81)	5,403,048	5,618,288	5,761,768
Other significant output:			
Aluminum (short tons, Month, 11/81)	364,375	395,565	427,394
Passenger car production, total (week ended, 12/81)	349,702	414,862	469,715
Machine tools: (monthly)			
Net new orders ($000, 11/81)	193,350	213,800	329,050
Shipments ($000, 11/81)	407,700	406,900	400,150

	MONTHLY		
	11/81	10/81	11/80
Price Indexes			
Coal	513.1	511.1	475.7
Anthracite	642.5	629.8	491.2
Chestnut, Pa.	547.8	524.3	426.7
Buckwheat No. 1, Pa.	N.A.	691.4	N.A.
Bituminous	508.0	506.4	474.3
Domestic sizes	619.5	619.5	584.8
Retail dealers	293.1	293.1	276.7
Industrial sizes, spot	435.3	437.7	396.4
Steam electric utility	138.2	140.7	120.1
Manufacturing	282.1	282.1	252.8
Metallurgical, high volatile	757.3	757.3	704.2
Metallurgical, low volatile	744.4	744.4	710.4
Industrial sizes, contrat	144.0	143.2	135.3
Steam electric utility	176.0	174.7	164.9
Manufacturing	128.9	127.1	120.2
Metallurgical, high volatile	106.1	106.1	98.9
Coke (foundry by-product)	470.3	470.3	430.6
Birmingham, Ala.	485.2	485.2	439.6
Milwaukee, Wis.	470.8	470.8	420.4
Detroit, Mich.	N.A.	N.A.	N.A.
Indianapolis, Ind.	484.3	484.3	437.7
St. Louis, Missouri	316.1	316.1	286.8
Philadelphia, Penna.	315.6	315.6	285.8

N.A.-Not Available

FACTS & FIGURES Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	10/81	9/81	10/80	10/81	9/81	10/80	10/81	9/81	10/80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,593,067	2,277,407	2,402,110	153,058,997	137,029,709	136,452,225	59.03	60.17	56.81
Italy	871,384	518,239	612,522	49,549,593	28,547,041	32,374,670	56.86	55.08	52.85
Canada	752,516	696,212	567,513	45,014,504	42,421,693	33,814,786	59.82	60.93	59.58
Brazil	379,313	223,739	358,564	23,559,244	14,061,312	20,834,785	62.11	62.85	58.11
Netherlands	374,238	138,214	367,790	22,303,149	7,894,456	18,431,465	59.60	57.11	50.11
Spain	321,531	331,942	302,177	18,468,471	19,129,968	15,154,806	57.44	57.63	50.15
Germany, F.R. (West)	311,685	293,212	177,637	17,652,879	16,841,182	9,001,460	56.64	57.44	50.67
Yugoslavia	248,559	189,078	151,848	14,682,901	10,453,735	7,398,295	59.07	55.29	48.72
Belgium	230,304	520,349	131,518	13,804,636	31,816,057	7,179,920	59.94	61.14	54.59
United Kingdom	221,791	80,319	205,205	12,341,066	4,653,507	10,859,058	55.64	57.94	52.92
Sweden	179,630	286,735	192,075	10,290,965	16,364,500	10,760,996	57.29	57.07	56.03
France	162,600	384,763	423,704	8,192,296	24,151,308	24,803,130	50.38	62.77	58.54
Total, above	6,646,618	5,940,209	5,892,663	388,918,701	353,364,468	327,065,596	58.51	59.49	55.50
Total, other nations	659,693	811,859	467,346	38,686,829	46,672,200	25,533,170	58.64	57.49	54.63
Total, all nations	7,306,311	6,752,068	6,360,009	427,605,530	400,036,668	352,598,766	58.53	59.25	55.44
Bituminous coal, others No. 5213120									
Canada	1,843,945	1,542,450	1,170,388	86,689,026	73,391,622	48,446,004	47.01	47.58	41.39
Japan	412,047	413,521	97,121	21,923,163	20,637,689	4,505,380	53.21	49.91	46.39
Denmark	407,216	369,687	194,711	17,419,052	15,736,966	10,006,454	42.78	42.57	51.39
Netherlands	384,815	237,733	175,696	18,350,747	10,972,791	8,051,967	47.69	46.16	45.83
Italy	287,729	442,062	48,022	14,856,718	20,590,324	1,863,285	51.63	46.58	38.80
China, Taiwan	268,884	299,261	121,241	11,069,108	12,400,219	4,637,157	41.17	41.44	38.25
Finland	229,136	220,369	51,334	10,284,888	10,240,682	2,035,228	44.89	46.47	39.65
Spain	226,556	253,817	113,067	10,720,124	12,042,260	4,558,519	47.32	47.44	40.32
France	184,354	305,198	228,935	7,831,877	14,051,274	9,789,487	42.48	46.04	42.76
Germany, F.R. (West)	145,700	291,961	101,675	6,449,267	14,557,644	5,025,489	44.26	49.86	49.43
Belgium	112,425	51,750	89,826	4,581,885	1,971,272	3,236,818	40.76	38.09	36.03
Total, above	4,502,807	4,427,809	2,392,016	210,175,855	206,592,743	102,155,788	46.68	46.66	42.71
Total, other nations	296,101	408,916	452,228	13,330,721	20,709,421	19,247,755	45.02	50.64	42.56
Total, all nations	4,798,908	4,836,725	2,844,244	223,506,576	227,302,164	121,403,543	46.57	47.00	46.68
Lignite No. 5213130									
Total, all nations	2,681	3,701	1,601	378,510	1,011,007	286,942	141.18	273.17	179.23
Coal coke for use as fuel No. 5213148									
Total, all nations	114,932	86,830	253,596	7,282,495	5,508,375	14,093,094	63.36	63.44	55.57
Petroleum coke, except calcined No. 5213150									
Japan	209,210	171,894	136,583	10,963,349	9,263,055	6,251,568	52.40	53.89	45.77
Netherlands	151,494	81,885	61,695	7,876,293	3,405,754	2,702,134	51.99	41.59	43.80
Canada	122,026	51,538	138,736	7,477,367	2,579,565	4,982,884	61.28	50.05	35.92
Total, above	482,730	305,317	337,014	26,317,009	15,248,374	13,936,586	54.52	49.94	41.35
Total, other nations	280,394	216,912	261,031	14,584,648	12,920,020	9,469,258	52.01	59.56	36.28
Total, all nations	763,124	522,229	598,045	40,901,657	28,168,394	23,405,844	53.60	53.94	39.14
Compositions for fuel No. 5213160									
Total, all nations	1,921	11,258	94	194,638	653,924	12,544	101.32	58.09	133.45
Anthracite No. 5213170									
Korea, Rep. (South)	166,654	133,105	81,071	6,421,454	4,504,668	3,159,707	38.53	33.84	38.97
Total, all nations	251,999	307,075	248,161	11,754,232	13,518,374	13,530,439	46.64	44.02	54.52

Macawber Engineering Receives Contract in Illinois Switchover

SPRINGFIELD, Ill. — Macawber Engineering, Inc. has been awarded a million-dollar contract by the State of Illinois for Macawber Denseveyor coal and ash conveying equipment for a state university at Macomb. This is the first of many state installations that are to be converted from oil to coal under a program advanced by Gov. James R. Thompson. Under the program, Illinois coal will be used as fuel.

The university boiler house comprises three 100,000-pound per hour boilers. Coal will be delivered in 20-ton loads from road vehicles to a ground bunker. A Denseveyor will pump the lump coal through a 6-inch diameter pipeline either directly to three 10-ton stoker hoppers above the boilers or to a nest of six 200-ton coal storage silos. Coal consumption at the three boilers will be monitored and will be displayed on a solid-state control unit.

Dow's Coal Supplies in Place, Will Be Used, President Says

NEW YORK — "We have huge coal supplies in place and we intend to convert them to good use," David L. Rooke, president of Dow Chemical USA, said in a reply to a question at a press conference here.

In his prepared remarks, Rooke said, "Our energy and feedstock security is tops in the industry. We have proven gas equivalent reserves in the United States of more than 400 billion cubic feet. In addition, we have some 725 billion cubic feet of gas equivalent reserves in Canada.

"In the U.S., we have over 80,000 acres of developed oil and gas properties, and undeveloped leases on some 1.5 million more. We also have a stable, low-cost energy source in our lignite deposits. And we already are installing gas turbines that have the capability of burning low BTU gas.

Exchange Negotiated

SAN ANTONIO — Mayor Henry Cisneros is trying to work out an agreement with Mexico to exchange electric power and lignite coal in times of surplus.

The power exchange would be one way for the city to beat the high cost of moving coal by rail from Midwest production areas. Mexico might also export coal to the city from its massive Piedras Negras coal facilities, once the mine begins full production.

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COAL INDUSTRY NEWS

FEBRUARY 8, 1982 *Coal's National Newspaper* Volume 6, Number 2 $1 a Copy; $24 a Year

NEWS ROUNDUP

Sage Creek Coal Ltd. of Canada confirms it has **updated plans to operate two large open-pit coal mines in British Columbia** a few miles northwest of Glacier National Park. Bill Burge, Sage Creek's secretary, said a Stage 2 mining application (the Canadian equivalent of an environmental impact statement) has been **submitted** to the province's government. The company hopes to start the project this summer and reach full yearly production of 2.1 million tons in three years.

* * *

Progress in coal gasification continues, with the latest report coming from Conoco Coal Development Co. It termed "outstanding" the performance of Pittsburgh Seam No. 8 coal in a month-long test in West Germany. The coal, characteristic of billions of tons of Appalachian reserves, came from Consolidation Coal Co.'s Shoemaker Mine near Moundsville, W. Va., and was tested at an Oberhausen, West Germany, prototype plant licensed by Texaco Development Corp. and jointly operated by Ruhrchemie AG and Ruhrkohle AG.

In a separate announcement, the two German companies and Texaco said they have agreed to further develop the Texaco gasification process at Oberhausen as well as provide Texaco process licensees **process heat recovery and slurry preparation information** from the West German facility as well.

* * *

Meanwhile, Exxon Corp.'s research and engineering division says **Illinois coal has passed the liquefaction test.** Using the company-s donor solvent technology, 47,000 tons ofthe coal was tested for more than 5,000 hours at Exxon's coal liquefaction pilot plant in Baytown, Texas. Project director W.R. Epperly said tests of Wyoming subbituminous and Texas lignite coals will be wrapped up next year.

* * *

Australian miners ended their two-week strike Jan. 29 and accepted a pay package including a $35 per week pay raise and $28 weekly travelling allowance. Settlement came after private mine owners in New South Wales an Queensland agreed to match a wage offer by the New South Wales government, the biggest area coal mine employer.

* * *

Adams Resources and Energy Inc. of Houston tentatively agreed to sell a coal mining subsidiary to Kaneb Services Inc. for $10 million as part of its **plans to dispose of three coal**

(Continued on page 4)

Reagan Asks Deep '83 Coal Budget Cuts

By Donna Smith

WASHINGTON — Federal coal research and development spending in fiscal 1983 will be slashed to about one-third of its fiscal 1982 level under a budget request President Reagan is expected to send Congress today.

Out of a $11.8 billion budget request for the Department of Energy, including $2.1 billion for the Strategic Petroleum Reserve, the administration is to ask Congress for $106.9 million to be spent on fossil energy research and development. Some $90.8 million of that amount is to be earmarked for coal research and development projects.

Those figures compare with a fiscal 1982 fossil energy budget of $417 million, of which $366.8 million was earmarked for coal projects. DOE's fiscal 1982 budget was just over $13 billion, including $3.7 billion for the Strategic Petroleum Reserve.

Reflects Dismantlement

The budget to be sent to Congress is to reflect the administration's plan to dismantle DOE, with fossil fuel programs to be listed under the Commerce Department's budget. But Congressional budget planners will be provided a separate energy listing to help them in their deliberations, administration officials have said.

Two coal-related projects will be eliminated under President Reagan's budget proposal.

One is a research program on high temperature turbines and their applicability to coal gasification. The project was budgeted at $15.4 million in fiscal 1982 and will receive nothing under the proposed fiscal 1983 budget. The administration feels private industry is likely to research the engine as an evolution of work already being done in the turbine area.

The other is magnetohydrodynamics. The administration had targeted this program for elimination in fiscal 1982, but Congress approved $21.8 million to continue this research into electrical generation by passing super heated gasses from coal combustion through a magnetic field. The administration believes the big price tag, about $500 million for a test facility, is not worth the technology gains it might yield.

The administration proposes reducing the mining program to $1 million in fiscal 1983, a drastic cut from the fiscal 1982 budget of $11 million. The program was developed to improve mining productivity through research and testing of new technology. A DOE source said under current reorganization plans this program will ultimately be returned to the Bureau of Mines in the Department of Interior after an intermediate stop in the Commerce Department.

Liquefaction Cut

Coal liquefaction funds will be slashed to $26.2 million under the proposed fiscal 1983 budget, compared to $98.8 million in the fiscal 1982 budget. The administration hopes to turn over two large direct liquefaction pilot plants totally to private hands once the test programs are completed later this year. The projects are Exxon Donor Solvent plant at Baytown, Texas, and the H-Coal plant at Catlettsburg, Ky.

The fiscal 1983 budget proposal contains no money for the SRC-I project. The administration plans to complete economic and engineering feasibility studies by May in hopes of building a good case for Synthetic Fuels Corporation support. A DOE official said the administration does not expect to spend the entire $129 million that had been previously budgeted for the SRC-I project study.

The budget for the surface coal gasification project is set at $10.5 million under the fiscal 1983 proposal, down from $53 million in fiscal 1982. DOE will concentrate on basic research and the environmental aspects of the process and move away from development of any one process under the fiscal 1983 proposal.

Underground coal gasification programs will just about be eliminated under the proposed fiscal 1983 budget. The administration proposes to reduce the budget from $8.2 million in fiscal 1982 to $700,000 in fiscal 1982. The administration believes the private sector should commercialize the technology. The budget provides for continuing monitoring of the environmental impact at three test sites in Wyoming, Washington and West Virginia, as required by law.

Programs Linked

Emissions control technology and coal preperation will be linked for the first time in a federal budget although the overall figure will be reduced from $25.2 million in fiscal 1982 to $8.6 million in fiscal 1983. A DOE official said the goal of the program is to produce a coal with ash and sulfur con-

(Continued on page 23)

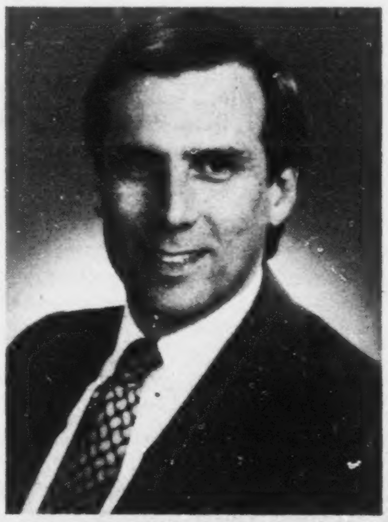
Pennsylvania Working to Rebuild Once-Formidable Anthracite Trade

By Andrea Scharf

HARRISBURG, Pa. — Production in Pennyslvania's lagging anthracite industry could double or even triple in the coming decade, despite the recent loss of a third of the Department of Defense contracts to supply coal to U.S. military installations in Europe. Growth is anticipated in exports to Europe and Asia, in anthracite-fired electric plants, and in small but steady increases in the domestic home heating market.

However, even a ten-fold increase would not bring production back to the 100 million ton apex of anthracite production reached in 1917, when 180,000 people worked in the industry. Although 60 million tons were still being mined just prior to World War II, the switch to oil and natural gas for home heating slashed the market and production fell to 5.4 million tons in 1980.

Since 96 percent of U.S. anthracite deposits are located in a 484 square mile area of Northeastern Pennsylvania, the effects of the drop were devastating, leaving some 32,000 people out of work in a landscape scarred with coal refuse and culm banks. Scranton, at the edge of the anthracite region, is the family home of William W. Scranton III, now Lt. Governor of the Commonwealth, and chairman of the Governor's Energy Council. His personal interest in the area and a desire to expand the somewhat limited role of the lieutenant governor's office, has led him to promote anthracite for home heating in New England, negotiate export agreements, and stimulate several Pennsylvania utilities to explore the possibility of building a new anthracite-fired generating plant at Tamaqua.



LT. GOV. William W. Scranton III seeks new markets for Pennsylvania anthracite.

Where It Goes

Two thirds of Pennsylvania's anthracite is used in New England, New York, New Jersey, and Pennsylvania itself. About half of this is used for home heating. Demand fell from 28.1 million tons in 1949 to 1.6 million tons in 1978, then began to climb slowly, but the dimension of that demand is hard

(Continued on page 4)

INSIDE

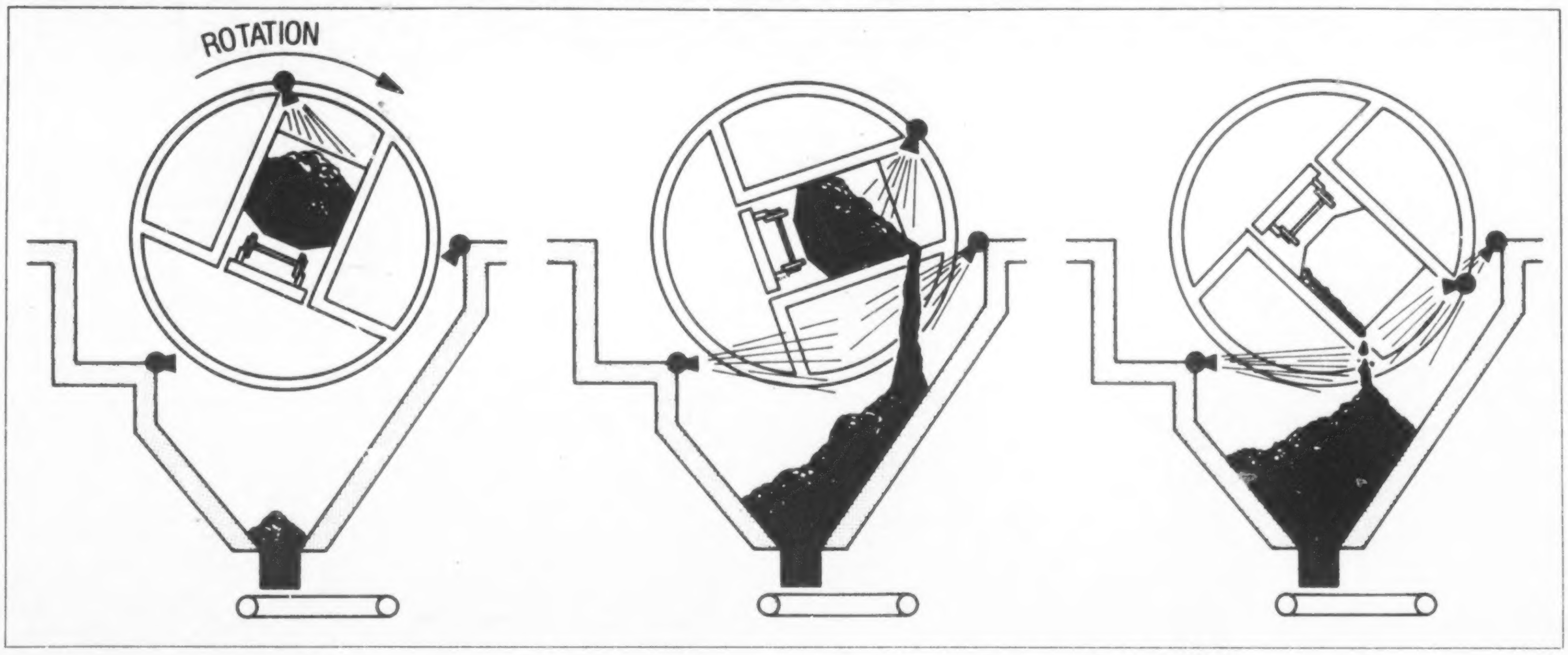
MINE SAFETY regulation enforcement is getting shortchanged by the Reagan administration, suggests United Mineworkers of America President Sam Church. **Commentary on page 3.**

INDIANS MAY TAX even when states already do so, the Supreme Court has ruled. Steve Marcy takes a look at what may happen as a result of the decision **on page 5.**

STEELMAKERS, among coal's leading customers, are trading barbs over imports as the 1981 figures emerge. Gene Smith examines both sides in an **Editor's Report on page 17.**

Special Section
CHEMICALS
Inside

CHEMICALS REPORT



WET SUPRESSION with the use of a surfacant offers obvious advantages over mechanical dust collection techniques in applications such as the rotary car dumping operation pictured above. Here, the open area is extremely large and up to 100 tons of coal falls into the hopper in about 20 seconds. Three parts of the dumping sequence are shown. As the car begins to dump, a low pressure spray wets the coal as it begins to roll. As the coal begins to drop into the under-track hopper, high pressure sprays are activated at both sides of the hopper rim. A rear spray prevents a cloud of dust from escaping from the back of the hopper. An almost continuous moisture curtain confines the dust to the hopper area. More than confinement is provided, however, as the sprays provide an important pretreatment for the coal.

No Universal Best Method

Surfacants Control Fugitive Dust While Offering Cost Advantages

By John M. Casteline

BECAUSE of environmental pressures and the increased amount of bulk materials being handled today, control of fugitive dust is of increasing concern to the coal industry and others involved with such materials.

But environmental regulations aren't the only factor. Fugitive dust can represent a loss of valuable product. It tends to increases wear of moving parts on equipment and can be a hazard to personnel.

Fugitive dust is that which escapes into the atmosphere without passing through a flue, pipe, stack or other structure designed for emissions into the atmosphere. Since it does not go through any well defined passageway, it is difficult to measure and to control.

The U.S. Environmental Protection Agency and state clean air agencies view such emissions as air pollutants. Personnel safety agencies such as the Mine Safety & Health Administration (MSHA) have rules about worker exposure to respirable fugitive dust particles under 10 microns.

As coal activities spread to more areas and expand in those in which they now operate, the concern over fugitive dust is likely to grow. New coal mines and loadout facilities are continually being opened in the western states. New transfer facilities are being built along the nation's rivers and coast lines. New coal receiving facilities are being incorporated into utility and industrial power plants throughout the United States. Soon, surface mined coal from Wyoming wll be shipped across the Atlantic Ocean from a port in New Jersey.

Dust Makers

This coal is being handled by front end loaders, bottom dump trucks, rotary car dumpers, barge unloaders and bucket wheel stacker-reclaimers. It is put through crushers, feeders, breakers, hoppers, screens and chutes and is carried over a seemingly endless array of conveyor belts. Each of these devices and handling steps has the potential for creating fugitive dust.

What is the best way of controlling dust at all these points? What is the most economical? Will all methods meet the requirements of the regulatory agencies? What method requires the least amount of maintenance? These are all questions which are being asked by both the designers and operators of transfer facilities.

Basically, all the methods of fugitive dust control for bulk material handling operations fall into four categories: (1) containment, (2) collection, (3) wet suppression, and (4) a combination of these.

THIS ARTICLE has been adapted from a paper presented at the 74th annual meeting of the Air Pollution Control Association by John M. Casteline, marketing manager, Johnson-March Corp., Philadelphia, Pa.

Containment is simply a mechanical means of confining the dust or preventing the wind from causing the dust to become airborne. Containment, by itself, is not a very efficient method of dust control since much dust escapes through cracks and openings. Hence, an air cleaning device, or dust collector, is used in conjunction with proper containment to prevent fugitive dust emissions.

It is important to note, however, that the purpose of the dust collector is not to remove all of the dust from the product stream, or even remove all the dust within the containment enclosure, but merely to filter the dust which could escape by ventilation.

Wet Suppression

The third method of fugitive dust control, wet suppression dust control, in most cases, meets environmental regulations and, at the same time, offers significant cost advantages.

In the simplest terms, wet suppression means wetting the material sufficiently to prevent airborne dust. The basic wet suppression technique controls dust in a number of ways:

- Confinement of dust within the dust producing area by a curtain of moisture.
- Wetting the dust by direct contact between the particles and droplets of moisture.
- Formation of agglomerates too heavy to remain airborne, or too heavy to become airborne, by combining small dust particles with each other and with droplets of liquid.

While water by itself could be used for wet suppression dust control, it does not provide sufficient wetting of the smaller particle size material. By adding a surfactant to the water, surface tension can be reduced, which allows easier wetting of smaller particle sizes.

Laboratory tests show that plain water will wet up to 95 percent of plus 325 mesh material but less than 50 percent of minus 325 mesh fraction on most material samples. Hydrophobic materials such as coal show zero percent wettability of minus 325 mesh material using plain water. With the addition of surfactant, 100 percent of all particle sizes are readily wet.

Chemical wet suppression has been in use for over 35 years, starting with experiments done by Johnson-March Corp. on retail coal trucks. Today, there are several different wet suppression techniques available.

By using the surfactant to change the physical characteristics of the water and by spraying it onto the material, the larger particles are completely coated and the smaller particles are drawn into the liquid droplets. Adequate dust control can be achieved with less than one percent moisture addition in most cases.

COMPARISON OF ROTARY CAR DUMPER DUST CONTROL METHODS

INITIAL COST	WET SUPPRESSION	FABRIC FILTER
Equipment (1)	$38,000.00	$163,000.00
Installation	$60,000.00	$260,000.00
	$98,000.00	$423,000.00
YEARLY OPERATING EXPENSE		
Power (2)	$240.00	$8,160.00
Chemicals (3)	$2,100.00	—
Bags (4)	—	$2,850.00
Replacement Parts	$400.00	$400.00
Maintenance Labor	$530.00	$1,590.00(5)
	$3,270.00	$13,000.00

NOTES:

(1) Rotary Car Dumper sized for 20 cars per hour. Wet Suppression at rotary car dumper only. Pump: 50 H.P. Fabric Filter - 120,000 cfm - 1200 ft.^{2} of cloth area - Fan: 300 H.P. - Compressor: 40 H.P.

(2) Assume 80 unit trains per year at 8 hrs. a piece of 640 hrs. per year. Assume, however, that 50 HP Wet Suppression pump will not operate at full load for more than 20% of the time. Assume electricity cost of $0.05 per KW-hr. One horsepower equals 0.75 KW-hr. per hr.

(3) Solution ratio: 1:3500, Application rate: 2 gallons of solution per ton, 800,000 tons per year, $5.25 per gallon of chemical.

(4) 250 polypropolene bags replaced.

(5) Includes bag replacement - 100 man hours.

Source: Johnson-March Corp.

In standard material handling applications for crushers and feeders, the material can be treated so that the dust particles are wet before they become airborne. Once this treatment is accomplished, no further treatment is necessary unless new dry surfaces are created (such as through crushing) or the moisture is evaporated over time. This "carryover effect" has the unique benefit of controlling dust at loadout without the necessity of treatment at the loadout point itself.

Each wet suppression system is custom designed and sized to fit the application, but each is actually a special configuration of certain types of equipment. The basic equipment item types in a wet suppression system are the proportioner, flow controller, actuator and sprays.

The proportioner mixes water wtih the surfactant at a preset ratio, providing a continuously available capacity of mixed solution. The proportioner unit includes the solution pump (which pressurizes the entire system) as well as the holding tank, injection pump, and automatic controls. All components are neatly enclosed in one unit to fit the plant environment.

The flow controller is also enclosed in its own cabinet for ease of winterization. It contains the flow control solenoid valve as well as a strainer, manual valve and other piping components. The flow of the mixed solution from the proportioner to the sprays is

(Continued on page 15)

Coal and Chemicals Attract Each Other

turned on and off by the flow controller based on the electrical signal received from the actuator.

Control actuators come in many forms. A simple under belt switch with a rolling wheel can detect the presence of material by belt deflection. When interlocked with the conveyor belt motor circuitry it provides a positive indictaion of material moving on the belt. Other actuators include paddle switches for feeders, current load detectors for crushers, or even sonic detectors at truck dump hoppers.

The Key Item

The spray nozzles are perhaps, the most important part of the system. Effective dust control can only be accomplished when flow capacities, pressure, spray angle and direction of the spray are all coordinated. The spray tip itself should be protected from flying material by a rugged, heavy duty casting.

Beside these four major types of components, other items might be necessary for proper system operation. For example, an automatic self-cleaning inlet filter, where water quality is a problem or heat tracing and insulation, where the system must operate under freezing conditions.

Wet suppression dust control offers advantages of low cost, ease of expansion to include new application points and the carryover effect mentioned previously.

The economical choice seems to be wet supression systems. However, one cannot ignore the problems of respirable dust in enclosed buildings or venting displaced air when a storage silo is filling. The truly practical alternative is actually the fourth method mentioned earlier, namely the combination system.

Good Example

An excellent example of the fourth approach is a coal receiving operation of a major southwestern power plant. A combination system has been installed at this facility for fugitive dust control. Wet suppression is used at the rotary car dumper and also at an emergency reclaim hopper where the large open area makes it the most economical choice. Venting through fabric filters — the most widely used method of dust collection for fugitive dust — is used in both the operation's sample house and crusher house to meet respirable dust limits set by MSHA. A small silo vent fabric filter is used on each of six silos.

By using the best method of dust control at each particular area of this coal handling operation and then combining the various methods into a functional system, the designer has not only met all requirements of governmental agencies, but at the same time has given the operator of the plant the most sensible and economical solution to fugitive dust control.

More and more, designers of large bulk materials handling facilities have come to realize that no one method of fugitive dust control is the answer by itself. Rather, a combination of wet suppression, containment, ventillation and fabricfilters has been shown to be the most effective solution.

Wet Suppression Can Form Team With Filter Units

(Continued on page 14)

piles and cuts back on the materials that normally go to the waste piles. It's called Floto 189 and we're most excited about it."

Dowell and Hercules are but two of the many manufacturers and suppliers of chemicals to the coal industry, of course. In the field of freeze fighting agents alone are included: Allied, DuPont, Union Carbide, Arco Chemical, DuBois, Agrandi, Barton, International Salt, Diamond Shamrock, Wen-Don, and Petrolite. The latter, a relative newcomer which has served the oil industry since 1911, boasts in its annual report to stockholders how it has "successfully penetrated the coal industry market." It now is offering freeze conditioning agents for both belt and rail moved coal, proudly proclaiming that its new side release agent for hopper cars can boost coal unloading up to 15 percent.

Dowell's freeze conditioning agent 185, which has received the prized Vaaler Awards top honor, lowers the physical strength of ice

(Continued on page 16)

Diamond Shamrock Introduces New Flocculant Product Line

MORRISTOWN, NJ — A new line of flocculants for coal processing has been introduced by the Process Chemicals division of Diamond Shamrock.

Called Chromafloc, the line of water-soluble synthetic polymers removes suspended solids from process water as well as aids in the filtration and dewatering of ores. The products are also said to be highly efficient in treatment of mining wastewater streams, according to Eliot Burrows, project manager for the division's commercial development department.

As part of the new product line introduction, the division is engaged in a multi-million dollar capital equipment expansion program to produce the Chromafloc polymer series at its Charlotte, N.C. production facility.

Sales Force Up

The flocculant expansion program also includes an increase in the division's sales force to accelerate sales and marketing of the new product line.

Diamond Shamrock's Process Chemicals division, with 6 plants in the U.S., is a major producer of specialty chemicals for a dozen industries.

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EARNINGS REPORT

AMAX, INC. Greenwich, Conn. — Fourth quarter net income of $14 million, or 13 cents per share, on revenues of $681.4 million, compared to year-ago fourth quarter net income of $89 million, or $1.35 per share, on revenues of $704.6 million. For 1981, net income of $231 million or $3.31 per share, on revenues of $2.7 billion, compared to 1980 net income of $470 million, or $7.48 per share, on revenues of $2.9 billion. Energy earnings increased $17 million over 1980 despite fewer coal shipments due to United Mine Workers strike.

* * *

THE PITTSTON CO. Greenwich, Conn. — Preliminary fourth quarter net income of $27 million, or 72 cents per share, on revenues of $637.4 million, compared to year-ago fourth quarter net income of $17 million, or 45 cents per share, on revenues of $622.6 million. For 1981, preliminary net income of $42.7 million, or $1.12 per share, on revenues of $2.2 billion, compared to 1980 net income of $77.4 million, or $2.06 per share, on revenues of $2 billion. Earnings were down in the first half of 1981, but recovered during the second half on strength of better coal prices and 21 percent increase in tonnage shipped.

* * *

EMONS INDUSTRIES, INC. York, Pa. — Second quarter loss of $601,691, or (32) cents per share, on revenues of $4.6 million, compared to year-ago second quarter loss of $353,405, or (25) cents per share. For six month loss of $1.3 million, or (69) cents per share, on revenues of $9.3 million, compared to year-ago six month loss of $445,316, or (42) cents per share, on revenues of $8.1 million.

* * *

NIAGARA MOHAWK POWER CORP. Syracuse, N.Y. — Fourth quarter net income of $52 million, or 52 cents per share on revenues of $413.9 million, compared to year-ago fourth quarter net income of $37.7 million, or 41 cents per share, on revenues of $377.4 million. For 1981, net income of $220.6 million, or $2.35 per share, on revenues of $1.7 billion, compared to 1980 net income of $162.6 million, or $1.87 per share, on revenues of $1.3 billion.

Simmons Joins Union Pacific Corp.'s Board

NEW YORK — Richard D. Simmons, president of The Washington Post Co., was elected a director of Union Pacific Corp.

Before joining The Washington Post Co. in September, 1981, whose principal businesses are newspaper and magazine publishing, television broadcasting, video programming and production, and newsprint, Simmons served in a number of executive capacities at Dun and Bradstreet Corp. He joined the company in 1969 as vice president and general counsel, and served as a marketing account executive with Reuben H. Donnelley, Dun and Bradstreet's printing subsidiary, from 1972 to 1973.

Simmons became president of Dun and Bradstreet's Moody's Investors Service in 1973 and president of Dun and Bradstreet Inc. in 1975. A year later, he was elected exeuctive vice president of Dun and Bradstreet Corp., with responsibility for Dun and Bradstreet, Dun and Bradstreet International and Moody's. On January 1, 1979, Mr. Simmons was elected a vice chairman of the Dun and Bradstreet Corp.

Mr. Simmons began his business career as an associate in the New York City law firm of Satterlee and Stephens.

Portsmouth Pier Feasibility Linked with Rail Discounts

By Carl Cahill

NORFOLK, Va. — The financial feasibility of a proposed $250 million coal pier in Portsmouth may hinge on whether its users can get transportation discounts from the Chessie System and the Norfolk and Western Railway Co.

J. Robert Bray, executive director of the Virginia Port Authority, has told authority commissioners that coal company officials have told him discounts would be needed to insure the financial integrity of the state-owned terminal which could handle 18 million tons of coal a year.

The six coal companies negotiating with railway officials for discounts are Consolidation Coal Co., Pittston Co., Island Creek Coal Co., United Coal Co., Massey Co. and InterMountain Coal Co., Bray said.

One coal company exeuctive who asked not to be identified said his company is seeking guaranteed discounts of $1 to $1.50 a ton because the state-owned pier could save the railroads money.

Idea Behind Discounts

Coal companies say the rationale behind the discounts would be the railroads' ability to pull cars into the new terminal, dump within 24 hours and return the train to the coal field for a new load. Coal would be stored in piles for later dumping into ships, they said.

At the N&W and Chessie piers in Hampton Roads, coal is stored in rail cars until dumped, a procedure that can take thousands of rail cars out of circulation for weeks or months at a time.

"Each company is seeking a differential for hauling specifically to this terminal," Bray said. "We expect them to notify us of the result."

Bray added that each company must negotiate its rate independently to avoid charges of price-fixing. He said the companies are not seeking guaranteed rail rates but a discount rate which would apply if rail rates fluctuated in future years.

The Chessie System in 1980 offered a $1.50-a-ton discount to the developers of the Massey Coal Co. terminal at Newport News. That pier will open in 1983, will handle up to 15 million tons a year and will have on-site storage.

The six companies mentioned by Bray have already invested about $1 million in planning the pier and will advance additional funds later this year, he said.

Shippers pay about $14 a ton to more coal from Appalachian mines to Hampton Roads, a rate that has risen about 10 to 20 percent annually, according to Interstate Commerce Commission reports.

FACTS & FIGURES

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	10/81	9/81	10/80	10/81	9/81	10/80	10/81	9/81	10/80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,593,067	2,277,407	2,402,110	153,058,997	137,029,709	136,452,225	59.03	60.17	56.81
Italy	871,384	518,239	612,522	49,549,593	28,547,041	32,374,670	56.86	55.08	52.85
Canada	752,516	696,212	567,513	45,014,504	42,421,693	33,814,786	59.82	60.93	59.58
Brazil	379,313	223,739	358,564	23,559,244	14,061,312	20,834,785	62.11	62.85	58.11
Netherlands	374,238	138,214	367,790	22,303,149	7,894,456	18,431,465	59.60	57.11	50.11
Spain	321,531	331,942	302,177	18,468,471	19,129,968	15,154,806	57.44	57.63	50.15
Germany, F.R. (West)	311,685	293,212	177,637	17,652,879	16,841,182	9,001,460	56.64	57.44	50.67
Yugoslavia	248,559	189,078	151,848	14,682,901	10,453,735	7,398,295	59.07	55.29	48.72
Belgium	230,304	520,349	131,518	13,804,636	31,816,057	7,179,920	59.94	61.14	54.59
United Kingdom	221,791	80,319	205,205	12,341,066	4,653,507	10,859,058	55.64	57.94	52.92
Sweden	179,630	286,735	192,075	10,290,965	16,364,500	10,760,996	57.29	57.07	56.03
France	162,600	384,763	423,704	8,192,296	24,151,308	24,803,130	50.38	62.77	58.54
Total, above	6,646,618	5,940,209	5,892,663	388,918,701	353,364,468	327,065,596	58.51	59.49	55.50
Total, other nations	659,693	811,859	467,346	38,686,829	46,672,200	25,533,170	58.64	57.49	54.63
Total, all nations	7,306,311	6,752,068	6,360,009	427,605,530	400,036,668	352,598,766	58.53	58.25	55.44
Bituminous coal, others No. 5213120									
Canada	1,843,945	1,542,450	1,170,388	86,689,026	73,391,622	48,446,004	47.01	47.58	41.39
Japan	412,047	413,521	97,121	21,923,163	20,637,689	4,505,380	53.21	49.91	46.39
Denmark	407,216	369,687	194,711	17,419,052	15,736,966	10,006,454	42.78	42.57	51.39
Netherlands	384,815	237,733	175,696	18,350,747	10,972,791	8,051,967	47.69	46.16	45.83
Italy	287,729	442,062	48,022	14,856,718	20,590,324	1,863,285	51.63	46.58	38.80
China, Taiwan	268,884	299,261	121,241	11,069,108	12,400,219	4,637,157	41.17	41.44	38.25
Finland	229,136	220,369	51,334	10,284,888	10,240,682	2,035,228	44.89	46.47	39.65
Spain	226,556	253,817	113,067	10,720,124	12,042,260	4,558,519	47.32	47.44	40.32
France	184,354	305,198	228,935	7,831,877	14,051,274	9,789,487	42.48	46.04	42.76
Germany, F.R. (West)	145,700	291,961	101,675	6,449,267	14,557,644	5,025,489	44.26	49.86	49.43
Belgium	112,425	51,750	89,826	4,581,885	1,971,272	3,236,818	40.76	38.09	36.03
Total, above	4,502,807	4,427,809	2,392,016	210,175,855	206,592,743	102,155,788	46.68	46.66	42.71
Total, other nations	296,101	408,916	452,228	13,330,721	20,709,421	19,247,755	45.02	50.64	42.56
Total, all nations	4,798,908	4,836,725	2,844,244	223,506,576	227,302,164	121,403,543	46.57	47.00	46.68
Lignite No. 5213130									
Total, all nations	2,681	3,701	1,601	378,510	1,011,007	286,942	141.18	273.17	179.23
Coal coke for use as fuel No. 5213148									
Total, all nations	114,932	86,830	253,596	7,282,495	5,508,375	14,093,094	63.36	63.44	55.57
Petroleum coke, except calcined No. 5213150									
Japan	209,210	171,894	136,583	10,963,349	9,263,055	6,251,568	52.40	53.89	45.77
Netherlands	151,494	81,885	61,695	7,876,293	3,405,754	2,702,134	51.99	41.59	43.80
Canada	122,026	51,538	138,736	7,477,367	2,579,565	4,982,884	61.28	50.05	35.92
Total, above	482,730	305,317	337,014	26,317,009	15,248,374	13,936,586	54.52	49.94	41.35
Total, other nations	280,394	216,912	261,031	14,584,648	12,920,020	9,469,258	52.01	59.56	36.28
Total, all nations	763,124	522,229	598,045	40,901,657	28,168,394	23,405,844	53.60	53.94	39.14
Compositions for fuel No. 5213160									
Total, all nations	1,921	11,258	94	194,638	653,924	12,544	101.32	58.09	133.45
Anthracite No. 5213170									
Korea, Rep. (South)	166,654	133,105	81,071	6,421,454	4,504,668	3,159,707	38.53	33.84	38.97
Total, all nations	251,999	307,075	248,161	11,754,232	13,518,374	13,530,439	46.64	44.02	54.52

Baldridge Explains Rationale for Moving U.S. Energy Decision-Making

WASHINGTON — Placing energy policy in the cabinet department where domestic and international business policy is conducted makes more sense than keeping it within its own cabinet department or exiling it to an independent, sub-cabinet agency, Commerce Secretary Malcolm Baldrige contends.

Speaking before the annual membership meeting of the Amercian Mining Congress, Baldrige said that commercial energy development should be driven by consumer requirements and the marketplace, "not by schemes of energy planners." It is far more logical to blend energy policy into overall economic and business policy, and Commerce is the department with control over business policy.

The Commerce Secretary said details of the transfer are continually submitted to Capitol Hill in an effort to win Congressional support, but he conceded the plan does not enjoy total support.

"We'll have some opposition, but I'm sure we'll get it done," Baldrige said.

Commerce plans to transfer about 7,000 employees from DOE and set them up under the Energy Research and Technology Administration, which will be divided between energy research and military functions. A deputy secretary will be in charge of the overall operation, and it will be the single largest function within the Commerce. "It will get top attention from me," Baldrige says.

Keeping ERTA within Commerce where it can "report directly to the president through a cabinet officer" maintains the importance of energy in the policy pecking order much better than if ERTA were an independent agency, Baldrige contends.

The inabilty of DOE to properly manage energy policy is another justification for the transfer, he indicated.

"A manager who really likes a challenge," Baldrige said, "gets as much of a kick out of walking into the energy department as a claims adjuster gets when he goes to a demolition derby.

"The Commerce Department has the management experience to make the energy functions work."

Commerce already has control over international trade and export policy, including coal, and will assume control over energy equipment and technology under the aegis of the International Trade Administration after the transfer.

Bulk of the DOE budget is research and development, which should meld nicely with functions of Commerce, Baldrige contends, since 25 percent of the Commerce budget is already devoted to research and development programs.

— Steve Marcy

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COAL INDUSTRY NEWS

FEBRUARY 22, 1982 *Coal's National Newspaper* Volume 6, Number 3 $1 a Copy; $24 a Year

NEWS ROUNDUP

A $10 billion "recovery fund" to finance job-creating projects in the United States is being contemplated by private Japanese businessmen with the backing of their government. What's being informally called "the Japanese Marshall Plan for the U.S." could possibly include **expansion of ports and coal-exporting facilities.** It will be outlined today to the National Governors' Conference by Kay Sugahara, a Japanese-American businessman who heads Fairfield-Maxwell Ltd. An apparent response to pressure on Japan to reduce its current $18 billion trade surplus with the United States, the plan would be the first modern instance of economic foreign aid for the United States, which normally gives instead of receives such assistance.

* * *

Rep. Henry Waxman, D-Calif., said Friday he will introduce **a liberal alternative to the administration-backed bipartisan bill revising Clean Air Act legislation.** Waxman, who chairs the House Subcommittee on Health and Environment, said his bill will be the markup vehicle on his subcommittee. Markup is scheduled to begin on Thursday.

* * *

Rising rail transportation costs, growing conservation efforts by the public, and more readily available natural gas and oil at lower prices have **clouded the development outlook for western coal**, a sales executive warned at the Colorado Mining Association's 85th National Western Mining Conference in Denver. Ross H. Forney of Stearns-Rogers Engineering Corp. also cited "shortsightedness" of state utility commissions, lower utility load growth projections and current clean air requirements as factors.

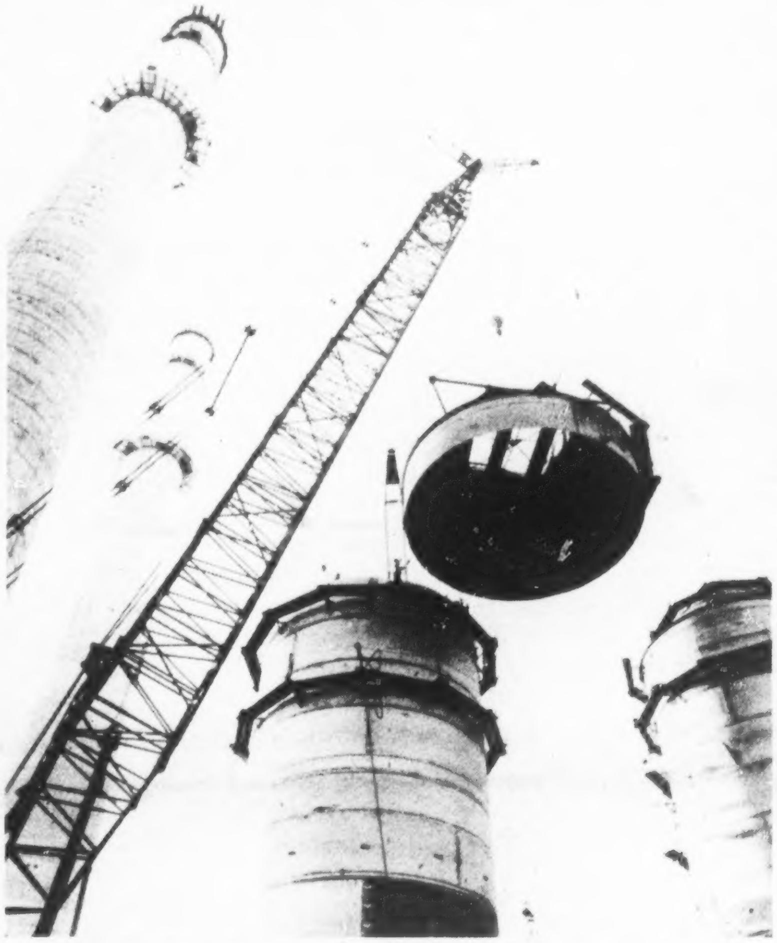
* * *

A major Greek cement company plans to invest **$200 million to switch from oil to coal.** Heracles General Cement will convert an existing plant to coal, construct a coal-fired plant and build a coal terminal. The company is currently buying U.S. coal, but officials said orders may be switched to other countries. They say **U.S. coal's advantages** are assured availability along with a price that is "competitive but no better." But U.S. coal's biggest problem is **continued congestion at key loading ports** which is causing Heracles to look at South Africa and Australia as alternatives.

* * *

Plans to develop **a floating coal export facility near New Orleans** are being shelved, according to the president of the two companies backing the project. James B. Sherwood says the project **is being set aside** until it can be estab-

(Continued on page 4)



A Gentle Nudge...And Up She Goes

SEVEN-TON TOP SECTION of a 105-foot tall absorber — part of the air pollution control system for Northern Indiana Public Service Co.'s Rollin M. Schafner power plant — is hoisted into place by a crane near Wheatfield, Ind. The four absorbers for each unit are part of FMC Corp.'s patented Double Alkali flue gas desulfurization system. Construction of Schahfner Units 17 and 18 is on schedule with first of two 400-megawatt boilers scheduled to start up in June 1983 and the second unit two years later.

Backer Cites Columbia River Port Potential

By T.W. Kienlen

PORTLAND, Ore. — James Anderson, chairman of the company committed to building a coal loading facility at the Port of Portland, challenges Western Governor's Policy Office (Westpo) findings that shipping export coal from Columbia River ports will be too expensive. No matter what critics say, he maintains that "plenty of coal" is going to be shipped out of the Port of Portland, especially, in so-called Panamax ships, those of 40,000 to 60,000 deadweight tons.

Pacific Coal Corp., a subsidiary of Anderson's American Guaranty Financial Corp., plans to build a $60 million coal facility at the Port of Portland by July 1983, six months earlier than anticipated.

The criticism objected to by Anderson was in a $400,000 Joint Study issued by the Western Coal Export Task Force, operating under the aegis of the governors' organization. The task force included representatives of both mainland China and Korea, 20

(Continued on page 24)

INSIDE

ACID RAIN STUDIES by federal agencies could produce "significant" results in three years, but the EPA warned that a strategy could be more elusive. **Story on page 4.**

FOUR UTAH TRACTS will be offered for lease by the Bureau of Land Management Thursday in Salt Lake City. That and other **Reports from our Correspondents on page 6.**

COAL SHIPMENTS helped push U.S. railroad earnings to a new high last year. Correspondent Robert E. Bedingfield offers some reasons why in a **Special Report starting on page 10.**

Special Section
TRANSPORT
Inside

Views Differ on Budget's Impact On Mine Safety

By Steve Marcy

WASHINGTON — A Reagan administration decision to restore $2 million in fiscal 1982 and to add $15 million to its fiscal 1983 budget request for mine safety programs may be too little too late, mine inspectors told Congress last week.

But Ford B. Ford, assistant Labor secretary for mine safety and health, said the budget restorations would increase the coal safety program level to 1,897 employees, up from the 1,574 assigned to the program as of Dec. 31.

Hugh Smith, a federal Mine Safety and Health Administration inspector operating out of Pikeville, Ky., and four colleagues told a House Operations subcommittee that coal operators, under the impression that the administration deregulation effort will end mine safety enforcement, are physically and verbally harassing inspectors, calling them "third-class citizens" and asking them how it feels to soon be out of a job.

MSHA headquarters has withdrawn its support, the group said, and exacerbated a morale problem already made serious by a Carter administration hiring freeze extending back to 1980 and continued by the Reagan administrtion. The attrition of inspectors has piled additional work on those remaining, lowering their morale still further and bringing about more retirees.

Programs are Suffering

The scramble to meet the required four inspections yearly of underground mines and two inspections yearly in surface mines, which nonetheless go unmet, has cut into training and other preventive programs, which needed upgrading anyway, the group said.

Smith said the group most prone to leave were the still young inspectors who had

(Continued on page 3)

Ironmaking Alternative Research Boost Urged

By Gene Smith

NEW YORK — Fordham University's noted "steel industry priest," Father William T. Hogan, S.J., has urged that a "high priority (be given) to research into coal-based direct reduction" as the ironmaking alternative to blast furnances.

This is a major finding of a 158-page Fordham University study conducted for the Department of Commerce by Father Hogan and his associate, Frank T. Koelble, at the university's Industrial Economics Research Institute.

The study concluded that while the domestic steel industry is committed to spending billions of dollars annually on its "revitalization program" in this decade, it will not be able to adopt direct reduction, "a fundamental ironmaking breakthrough now being applied at an accelerated pace by steel producers overseas."

(The American Iron and Steel Institute, the industry's trade association, reported last week that steel mill modernization programs announced by 35 companies since Election Day 1980 totalled $6.215 billion on Feb. 1. A year earlier, only eight companies had announced projects valued at just

(Continued on page 5)

FACTS & FIGURES

Domestic

	WEEKLY 2/6/82	1/30/82	2/7/81
Production			
Bituminous, recent week	15,799	16,236	16,320
Bituminous, year to date	78,750	—	81,616
Anthracite, recent week	117	121	138
Anthracite, year to date	589	—	517
Railroad carloadings			
Bituminous, recent week	106,995	108,967	111,079
Bituminous, year to date	529,491	—	562,996
Anthracite, recent week	146	167	190
Anthracite, year to date	753	—	749

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 1/9/82	1/2/82	1/10/81
Production by states, bituminous and lignite			
Eastern			
Alabama	514	528	527
Georgia	—	—	1
Illinois	1,173	1,205	1,210
Indiana	577	593	614
Kentucky:			
Eastern	2,075	2,132	2,174
Western	794	816	850
Total, Ky.	2,869	2,948	3,024
Maryland	78	80	90
Ohio	740	760	709
Pennsylvania	1,588	1,632	1,559
Tennessee	180	185	208
Virginia	794	816	977
West Virginia	2,309	2,373	2,459
Total, eastern	10,822	11,120	11,378
Western			
Alaska	14	15	13
Arizona	198	204	136
Arkansas	4	4	10
Colorado	361	371	400
Iowa	11	11	12
Kansas	14	15	18
Missouri	99	102	89
Montana	613	630	547
New Mexico	361	371	325
North Dakota	329	338	328
Oklahoma	101	104	85
Texas	595	612	575
Utah	271	278	320
Washington	94	96	45
Wyoming	1,912	1,965	2,039
Total Western	4,977	5,116	4,942
Total, United States	15,799	16,236	16,320

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 12/81	11/81	12/80
Coal Labor			
All employees			
Coal Mining	259.4	261.1	249.7
Bituminous & Lignite	256.0	257.6	246.2
Production employees			
Coal mining	215.4	216.9	206.2
Bituminous & Lignite	212.3	213.8	203.1
Hours, weekly average			
Coal mining	42.9	42.0	40.8
Bituminous & Lignite	42.9	41.9	40.8
Earnings, hourly average			
Coal mining	12.36	12.43	11.17
Bituminous & Lignite	12.39	12.46	11.20
Earnings, weekly average			
Coal mining	530.24	522.06	456.96
Bituminous & Lignite	531.53	522.07	458.18

Source: U.S. Department of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 11/81	10/81	11/80
Bituminous and Lignite			
Consumption			
Electric power utilities	46,873	47,685	45,642
Coal user stocks of coal			
Electric power utilities	161,454	154,164	179,452
Anthracite			
Consumption			
Electric power utilities	141	115	56
Coal user stocks of coal			
Electric power utilities	5,548	5,512	4,661

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	11/81	10/81	11/80
Coal User Production			
Major district users:			
Electric utilities			
(Mil Kwh.)			
Weekly, 2/9/82	94,841	97,046	93,501

	MONTHLY		
Price Indexes			
Bituminous Coal and Lignite	102.1	100.0	N.A.
Primary Products	104.1	100.0	N.A.
Prepared	101.7	100.0	N.A.
Steam electric utilities	101.9	100.0	N.A.
North Appalachia	100.8	100.0	N.A.
Spot	N.A.	N.A.	N.A.
Contract	100.2	100.0	N.A.
South Appalachia			
Contract	N.A.	N.A.	N.A.
Midwest	102.9	100.0	N.A.
Contract	103.3	100.0	N.A.
West	102.9	100.0	N.A.
Contract	102.9	100.0	N.A.
Metallurgical/coke producer	100.0	100.0	N.A.
High volatile	99.8	100.0	N.A.
North Appalachia	100.1	100.0	N.A.
Contract	100.2	100.0	N.A.
South Appalachia			
Contract	99.6	100.0	N.A.
West	100.6	100.0	N.A.
Low volatile	100.4	100.0	N.A.
North Appalachia			
Contract	N.A.	N.A.	N.A.
South Appalachia			
Contract	N.A.	N.A.	N.A.
All other industrial	102.0	100.0	N.A.
North Appalachia			
Contract	N.A.	N.A.	N.A.
Midwest			
Contract	100.5	100.0	N.A.
Unprepared (raw)	100.7	100.0	N.A.
For preparation at other establishments		N.A.	N.A.
For use without preparation	105.6	100.0	N.A.
Anthracite	153.1	153.1	147.7
Primary products	153.0	153.0	147.5
Prepared anthracite shipped	153.8	153.7	148.2
Stove	N.A.	145.6	139.4
Chestnut	N.A.	145.1	137.6
Pea	163.1	163.1	152.7
Buckwheat no. 1	N.A.	N.A.	142.7
Buckwheat no. 2	162.9	162.9	153.3
Buckwheat no. 4	N.A.	N.A.	154.1
Buckwheat no. 5	N.A.	N.A.	110.6

N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new indes is based on a compilation of average prices for Decembei, 1981, and that month appears as 100. The former index use June, 1976 prices as its base.

FACTS & FIGURES

Exports & Imports

	Quantity in short tons 11/81	10/81	11/80	Dollar Value 11/81	10/81	11/80	Avg. Value per short ton 11/81	10/81	11/80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,729,358	2,593,067	1,753,275	163,409,807	153,058,997	101,415,380	59.87	59.03	55.39
Italy	892,269	871,384	668,884	46,432,039	28,547,041	35,309,106	52.01	56.86	53.76
Canada	615,744	752,516	627,361	37,571,426	45,014,504	38,011,617	61.01	59.82	58.10
Brazil	311,902	379,313	286,769	12,770,505	14,061,312	15,701,469	40.94	62.11	54.51
Netherlands	259,010	364,238	172,697	16,063,647	22,303,149	6,514,107	62.01	59.60	49.58
Spain	338,241	321,531	372,527	15,033,023	18,468,471	19,486,667	44.44	57.44	—
Germany, F.R. (West)	197,256	311,685	194,554	9,881,736	17,652,879	10,316,002	50.09	56.64	—
Yugoslavia	369,965	248,559	—	22,093,450	14,682,901	—	59.71	59.07	—
Belgium	303,886	230,304	425,267	18,522,793	13,804,636	21,544,408	60.95	59.94	53.98
United Kingdom	301,823	221,791	—	17,695,821	12,341,066	—	58.62	55.64	—
Sweden	153,121	179,630	—	8,796,082	10,290,965	—	57.44	57.29	—
France	627,499	162,600	116,835	37,940,663	8,192,296	7,181,516	60.46	50.38	—
Total, above	7,100,074	6,636,618	4,727,261	406,210,992	388,918,701	263,395,107	57.21	58.51	54.52
Total, other nations	610,393	659,693	668,512	38,184,488	38,686,829	668,512	62.55	58.64	54.37
Total, all nations	8,129,528	6,752,068	5,395,773	446,488,328	427,605,530	298,753,645	54.92	58.53	54.50
Bituminous coal, others No. 5213120									
Canada	1,437,170	1,843,945	1,341,648	67,605,688	86,689,026	38,011,617	47.04	47.01	58.10
Japan	371,113	412,047	253,073	18,367,620	21,923,163	136,802,091	49.49	53.21	55.39
Denmark	307,912	407,216	223,708	12,932,792	17,419,052	—	41.99	42.78	—
Netherlands	148,600	384,815	100,638	7,061,559	18,350,747	3,481,506	47.51	47.69	40.78
Italy	365,466	287,729	183,016	18,367,620	1,863,285	7,105,778	50.25	51.63	—
China, Taiwan	168,429	268,884	—	6,547,265	11,069,108	—	38.87	41.17	—
Finland	203,132	229,136	—	9,516,865	10,284,888	—	46.84	44.89	—
Spain	358,479	226,556	—	16,192,632	10,720,124	—	45.16	47.32	—
France	260,576	184,354	350,163	12,017,736	14,051,274	12,637,681	46.11	42.48	36.09
Germany, F.R. (West)	145,896	145,700	—	7,304,804	14,557,644	—	50.06	44.26	—
Belgium	157,700	112,425	223,708	6,419,772	1,971,272	9,075,321	40.70	40.76	34.19
Total, above	3,766,773	4,502,807	2,717,702	175,814,062	210,175,855	108,715,078	46.67	46.68	40.00
Total, other nations	462,224	296,101	791,977	21,833,074	13,330,721	35,354,587	47.23	45.02	44.64
Total, all nations	4,228,997	4,798,908	3,509,679	197,647,136	223,506,576	144,069,665	46.73	46.57	41.05
Lignite No. 5213130									
Total, all nations	2,061	2,681	1,285	363,347	378,510	240,115	176.29	141.18	133.52
Coal coke for use as fuel No. 5213148									
Total, all nations	54,194	114,932	144,757	5,355,890	5,508,375	9,252,300	98.81	63.36	63.92
Petroleum coke, except calcined No. 5213150									
Japan	163,970	209,210	101,512	19,240,178	10,963,349	4,168,246	11.73	52.40	41.06
Netherlands	66,556	151,494	—	3,531,310	7,876,293	—	53.05	51.99	—
Canada	28,732	122,026	—	1,154,413	7,477,367	—	52.69	61.28	—
Total, above	461,074	482,730	160,095	23,925,901	26,317,009	7,097,401	51.88	54.52	44.33
Total, other nations	106,528	280,394	121,563	6,259,352	14,584,648	4,751,348	58.75	52.01	39.09
Total, all nations	365,786	763,124	281,658	19,240,178	40,901,657	11,848,749	52.59	53.60	42.07
Compositions for fuel No. 5213160									
Total, all nations	3,004	1,921	242	161,163	194,638	[illegible]	53.64	101.32	111.23
Anthracite No. 5213170									
Korea Rep. (South)	114,380	166,654	—	7,024,963	6,421,454	—	61.40	38.53	—
Total, all nations	171,392	251,999	79,692	10,877,393	11,754,232	4,851,934	63.46	46.64	60.88

COAL INDUSTRY PEOPLE

John W. Hill has been elected president of the Willis & Paul Group with headquarters in Denville, N.J.

Skelly and Loy Engineers — Consultants announced he appointments of **William T. Gorton** and **John C. Bender** as branch office manager and assistant manager for the firm's Lexington, Ky. office.

Dennis P. Duffy has joined Consolidation Coal Co. as district sales manager — Southeast.

R. Rex Jones has been promoted to director of marketing at Ashland Coal, Inc. reporting to John B. Kebblish, president.

James E. Day has joined the Hanna Mining Co. in Cleveland as director of corporate development.

TEEUWEN

WALKER

Ben C. Teeuwen has been named director of international sales and operations for Bcyrus-Erie Co.

Barber-Greene Co. announced the appointments of **Frank Bernard**, market development manager, and **Donald Walker**, manager, energy business development.

Eastern Associated Coal Corp. announced the promotion of **Michael J. Phipps** to general manager, Harris complex.

Ron Adams has been promoted to senior account representative at the Los Angeles office of Jeffrey Manufacturing division, Dresser Industries, Inc.

Morrison-Knudsen Co. Inc. announced the appointment of **David L. Backus** to vice president, marketing and sales.

The board of directors of the Edison Electric Institute announced the election of Prall Culviner to senior vice president and secretary of the association of electric companies.

E. J. (Eddie) Muhlenberg has been named managing director for Carmet South Africa (PTY) Ltd., a joint venture by Allegheny International and a group of South African investors.

George Luxbacher, manager, technical data and engineering support, and **Jason Fieh-cherng Sun**, senior mining engineer, have been added to Island Creek Coal Co.'s expanded corporate engineering department.

Alco Standard Corp. has announced the appointment of **Anthony R. Romao** as president of Barnes & Tucker Co., a wholly-owned subsidiary.

UOP Inc. named **Robert M. Baratta** president.

Paul S. Karolchyk has been elected vice president, finance, of Eastern Associated Coal Corp.

Clifford C. Hanninen, a 16-year veteran of the mining and mining equipment industries, has joined Kennametal Inc. as director of engineering for the mining tool group responsible for the group's U.S. engineering activities.

D.D. (Doug) Wingate has been named production manager for Carmet Co.'s minetool division, a member of Allegheny International.

William E. Bradshaw was named corporate secretary of Westmoreland Coal Co. of Philadelphia, where he will also continue as corporate general counsel.

Ken Savidge has rejoined Dresser Industries Inc.'s Jeffrey Mining Machinery division as marketing manager for longwall systems.

D.D. "Doug" Wingate has been named production manager for Carmet Co.'s mine tool division.

Reading & Bates Coal Co. announced the addition of **Jon E. Kelly** as executive vice president.

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COAL INDUSTRY NEWS

MARCH 8, 1982 *Coal's National Newspaper* Volume 6, Number 4 **$1 a Copy; $24 a Year**

Dravo System Preserves a Town's Peace

A 60-TON capacity coal truck dumping station is part of a coal-handling system designed by Dravo for the Snowmass Coal Company and its mine located high in the mountains near Carbondale, Col. To avoid trucking the coal through town to the rail spur eight miles away, Snowmass built the dumping station south of town. Coal is conveyed down a mountan side and across the Roaring Fork River to the spur. The 2,057-foot conveyor is completely enclosed.

Janeway: Soviet Pipeline Threatens More than Coal

By Jim Hendon

DENVER — Russia's natural gas exports through its new pipeline to Europe will do more than hurt the European export market for U.S. coal. They will also theoretically allow Russia an opportunity to disrupt Middle East oil exports while maintaining a relationship with Europe.

That was the view of economist Eliot Janeway Thursday in his address to the Eighth Annual Coal Production and Transportation Conference here. Janeway tackled the topic, "The Interrelationships of Defense Spending, the U.S. Economy and Worldwide Energy Supplies for the U.S. Coal Industry."

The two-day conference was sponsored by PLM Inc. of San Francisco.

"In developing the gas pipeline arrangement, the Soviets built a concentration of nuclear naval power commanding the oil ports on the Red Sea," Janeway said. "Their power of persuasion with the Europeans is based on their ability to disrupt the Persian Gulf oil supplies while offering natural gas as a guarantee that Europe will not be the target of a cutoff which the Russians themselves provoke or find themselves unwilling or unable to prevent.

Future Clouded

"A by-product of this two-front power play is to cloud the future of America's traditional coal-export trade between the U.S. and Europe."

Janeway likened the Russian strategy to that of Captain Alfred T. Mahan, naval advisor to President Theodore Roosevelt. Mahan demonstrated that sea power applied at international commercial pressure points could be used to extend commercial interests of a rising power and consolidate worldwide political reach, said Janeway.

"Russia has taken a strategic leaf from historical archives of the U.S. and dovetailed her considerable military strength with commercial leverage against the European Economic Community, the Persian Gulf and the U.S.," said the economist.

CINews Field Report

He said the gas deal will significantly increase European energy imports from Russia and decrease the continent's dependence on Middle East oil and American coal.

And the Result...

"Russia's strategy combined with the impact of the world oil glut is bound to intensify political paranoia, financial strains and military insecurity in the Middle East. The U.S. needs a two-fold strategy to lessen our reliance on imported sources of fuel," Janeway said.

He said America's first priority is urgency in developing its abundant resources of

(Continued on page 3)

NEWS ROUNDUP

Arguments are taking shape in the proposed **Union Pacific-Missouri Pacific railroad merger.** The railroads, shippers and other interested parties will submit briefs to the Interstate Commerce Commission this week. Reply briefs are due April 19, and both sets of documents will then be forwarded to the full commission. Current indications are that an administrative law judge will not have to enter the picture.

* * *

Reps. Toby Moffett, D-Conn., and Joel Deckard, R-Ind., have called for an investigation into **reports of leaks of confidential project information** from the Synthetic Fuels Corp. to members of the financial community. The SFC Inspector General's office has started interviewing corporation employees in an effort to trace the leaks. The corporation's statute provides for a maximum $10,000 fine or five-year prison sentence for people giving or receiving such information.

* * *

The cost of proposed "acid rain" legislation to customers of American Electric Power Co.'s utility subsidiaries would be almost $2 billion a year — an average rate boost of 63.3 percent. The company released these figures after analyzing economic impacts of a bill introduced by Sen. George J. Mitchell, R-Maine, that would put a moratorium

(Continued on page 3)

In Japanese 'Marshall Plan'

Proposals from State Governors Key to Private Investment Effort

By Steve Marcy

WASHINGTON — Japanese businessmen may be willing to lend or invest up to $10 billion in U.S. capital projects — including coal mine and transport facilities — on the basis of specific project proposals they will receive later this year from the nation's 50 governors.

Kay Sugahara, chairman of the U.S.-Asia Institute, said the concept of a private Japanese loan and investment program first emerged in discussions he had with Japanese business leaders last fall.

He told an international trade and foreign relations committee of the National Governors Association that the institute "first tested the concept with 25 Japanese leaders in the power structure" who "overwhelmingly" preferred it to a U.S.-imposed cutback in trade or further purchases of U.S. arms.

He cited editorials by the Sankei business journal and the reaction from the ruling Liberal Democratic Party, including the support of former Prime Minister Tashio Fukuda, as evidence of favor among businessmen and the general public.

Seen as Partnership

Sugahara's remarks were interpreted as a partnership of Japanese government and industry officials on the verge of launching their own version of a Marshall plan to aid an economically beleagured ally.

Things are not quite that far along, however. Letters from the NGA committee to the governors soliciting project candidates may get in the mail this week.

Responses were to have been compiled by the committee and forwarded to the U.S.-Asia Institute by March 25. But Willard Berry, staff director for the governors' international trade panel, says the complexity and the number of steps involved in formulating even skeleton outlines of possible projects have pushed that date back to April 23.

The governors are still seeking information on what to propose. By last week, Berry had received phone calls from governors offices in New Jersey, Vermont, Washington, North Dakota, South Dakota, California and others inquiring about the form and details of the information they should submit.

The committee staff director did say that conversations with a number of governors' offices did include projects involving coal, mostly about the suitablity of projects upgrading the coal transportation system.

Scope of Descriptions

Berry says the information in the governors' project descriptions that will be submitted to the U.S.-Asia Institute will run to several pages on each project, but will be far less detailed and voluminous than the information required for government contracts.

The project descriptions will outline the number of jobs each will likely create, its effects on U.S.-Japanese relations and the kinds of financing required.

The Japanese will judge the viability of the concept on the basis of the project descriptions. The synopses will provide a starting point for more serious investigation by individual Japanese companies into the benefits of participation.

The program so far has been interpreted

(Continued on page 3)

INSIDE

PROJECTIONS for greater coal use domestically as well as internationally in the long term have come out from Exxon, which is gearing up for a major commitment, and the Department of Energy. **Stories on pages 2 and 5.**

FLUIDIZED BED combustion is a process everyone talks about. Now, a Massachusetts engineering company is getting ready to take the plunge. Gene Smith takes a closer look in his latest **Editor's Report on page 6.**

WATERWAY USER FEE proposals by the Reagan administration have some people and groups boiling. Anthony Kucera, president of the National Waterways Users Association, suggests what the implications may be in a **Coal Industry News Q&A on page 7.**

Special Section
RECLAMATION
Inside

BEST AVAILABLE COPY

BEST AVAILABLE COPY

FACTS & FIGURES

	WEEKLY		
	2/20/82	2/13/82	2/21/81
Production			
Bituminous, recent week	17,709	16,442	18,287
Bituminous, year to date	112,901	116,596	—
Anthracite, recent week	131	122	120
Anthracite, year to date	842	762	—
Railroad carloadings			
Bituminous, recent week	119,424	111,143	125,822
Bituminous, year to date	760,058	802,743	—
Anthracite, recent week	135	138	306
Anthracite, year to date	1,026	1,197	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY		
	2/20/82	2/13/82	2/21/81
Production by states, bituminous and lignite			
Eastern			
Alabama	576	535	558
Georgia	—	—	1
Illinois	1,315	1,220	1,375
Indiana	647	601	693
Kentucky:			
Eastern	2,326	2,159	2,381
Western	890	826	975
Total, Ky.	3,216	2,985	3,356
Maryland	87	81	94
Ohio	829	770	801
Pennsylvania	1,780	1,652	1,761
Tennessee	202	188	235
Virginia	890	826	1,104
West Virginia	2,589	2,403	2,778
Total, eastern	10,822	11,120	11,378
Western			
Alaska	14	15	13
Arizona	198	204	136
Arkansas	4	4	10
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Total, United States	15,799	16,236	16,320

In short tons (000).
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	1/82	12/81	1/81
Coal Labor			
All employees			
Coal Mining	255.1	257.7	251.4
Bituminous & Lignite	251.7	254.3	248.1
Production employees			
Coal mining	211.6	213.9	208.9
Bituminous & Lignite	208.5	210.8	205.9
Hours, weekly average			
Coal mining	40.9	42.7	42.1
Bituminous & Lignite	40.9	42.7	42.1
Earnings, hourly average			
Coal mining	12.41	12.38	10.40
Bituminous & Lignite	12.45	12.41	10.43
Earnings, weekly average			
Coal mining	507.57	528.63	437.84
Bituminous & Lignite	509.21	529.91	439.10

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY		
	12/81	11/81	12/80
Bituminous and Lignite Consumption			
Electric power utilities	52,968	46,873	51,068
Coal user stocks of coal			
Electric power utilities	159,144	159,454	178,269
Anthracite Consumption			
Electric power utilities	148	141	89
Coal user stocks of coal			
Electric power utilities	5,537	5,458	4,741

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	11/81	10/81	11/80
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
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North Appalachia	100.8	100.0	N.A.
Spot	N.A.	N.A.	N.A.
Contract	100.2	100.0	N.A.
South Appalachia			
Contract	N.A.	N.A.	N.A.
Midwest	102.9	100.0	N.A.
Contract	103.3	100.0	N.A.
West	102.9	100.0	N.A.
Contract	102.9	100.0	N.A.
Metallurgical coke producer	100.0	100.0	N.A.
High volatile	99.8	100.0	N.A.
North Appalachia	100.1	100.0	N.A.
Contract	100.2	100.0	N.A.
South Appalachia			
Contract	99.6	100.0	N.A.
West	100.6	100.0	N.A.
Low volatile	100.4	100.0	N.A.
North Appalachia			
Contract	N.A.	N.A.	N.A.
South Appalachia			
Contract	N.A.	N.A.	N.A.
All other industrial	102.0	100.0	N.A.
North Appalachia			
Contract	N.A.	N.A.	N.A.
Midwest			
Contract	100.5	100.0	N.A.
Unprepared (raw)	100.7	100.0	N.A.
For preparation at other establishments		N.A.	N.A.
For use without preparation	105.6	100.0	N.A.
Anthracite	153.1	153.1	147.7
Primary products	153.0	153.0	147.5
Prepared anthracite shipped	153.8	153.7	148.2
Stove	N.A.	145.6	139.4
Chestnut	N.A.	145.1	137.6
Pea	163.1	163.1	152.7
Buckwheat no. 1	N.A.	N.A.	142.7
Buckwheat no. 2	162.9	162.9	153.3
Buckwheat no. 4	N.A.	N.A.	154.1
Buckwheat no. 5	N.A.	N.A.	110.6

N.A.—Not Available

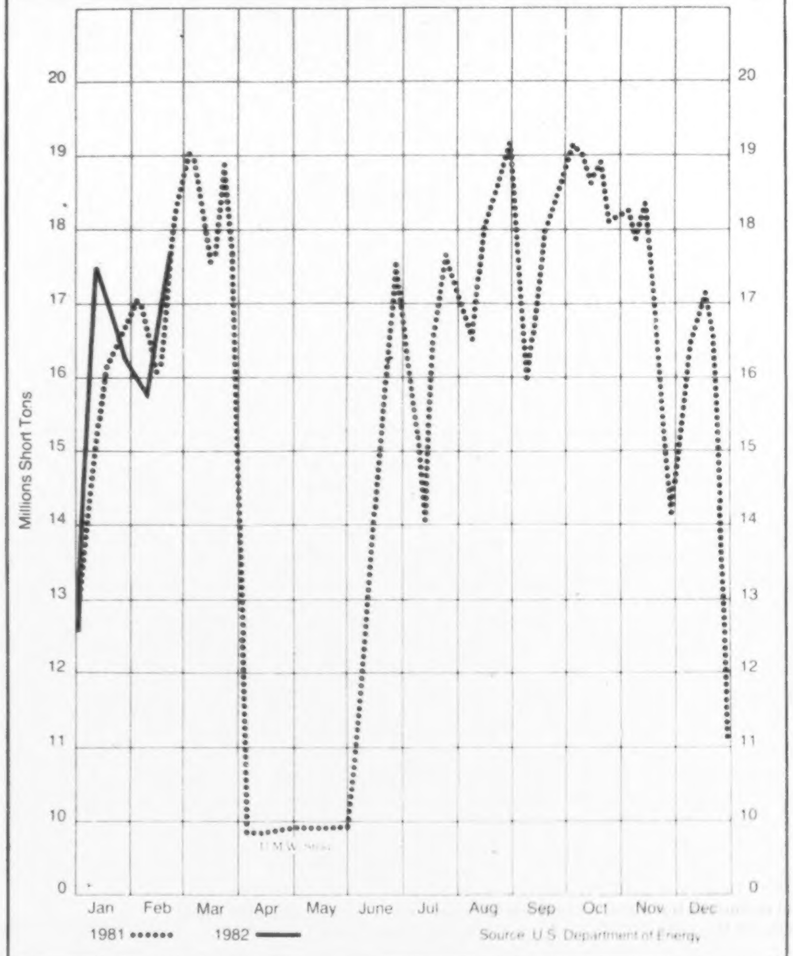
Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new indes is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index use June, 1976 prices as its base.

Domestic

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source: U.S. Department of Energy

PRODUCTION OF bituminous coal and lignite, as estimated by the Department of Energy's Energy Information Administration, increased 1.26 million tons, or 7.7 percent, for the week ending Feb. 20 to 17.7 million short tons. Production in the corresponding week of 1981 was 18.3 million short tons. Production from Jan. 1 through Feb. 20 totaled 112.9 million short tons, a 3.2 percent for the same period in 1981.

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short on		
Bituminous coal, low volatile blends to make coke No. 5213110	12/81	11/81	12/80	12/81	11/81	12/80	12/81	11/81	12/80
Japan	2,558,195	2,729,358	2,469,607	147,810,251	163,409,807	136,802,091	57.79	59.87	57.84
Italy	1,088,193	892,269	471,710	50,450,041	46,432,039	25,328,860	46.36	52.01	52.79
Canada	1,304,348	615,744	391,277	75,176,146	37,571,426	22,734,392	57.63	60.01	60.59
Brazil	434,193	311,902	365,801	17,899,509	12,770,505	19,938,257	41.22	40.94	58.96
Netherlands	260,985	259,010	180,186	14,903,230	16,063,647	8,490,322	57.10	62.01	47.79
Spain	224,512	338,531	149,327	11,531,326	15,033,023	7,357,585	51.36	44.44	52.31
Germany, F.R. (West)	265,898	197,256	191,400	10,835,265	9,881,736	10,316,002	40.74	50.09	53.22
Yugoslavia	67,694	369,965	—	3,958,919	24,093,450	—	58.48	59.71	—
Belgium	468,822	303,886	264,082	22,811,735	18,522,793	14,232,933	48.65	60.95	50.68
United Kingdom	217,391	301,823	—	11,922,133	17,695,821	—	54.84	58.62	—
Sweden	83,381	153,121	—	3,441,986	8,796,082	—	41.28	57.44	—
France	656,447	627,499	148,697	37,928,828	37,940,663	7,202,456	[illegible]	60.46	61.47
Total, above	7,492,365	6,100,074	4,750,211	408,669,369	406,210,992	258,977,457	54.55	57.21	55.72
Total, other nations	554,893	610,393	591,042	30,690,249	38,184,488	32,134,145	55.30	62.55	52.89
Total, all nations	8,047,258	8,129,528	5,341,253	439,359,618	446,488,328	291,111,602	54.59	54.92	55.37

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	12/81	11/81	12/80	12/81	11/81	12/80	12/81	11/81	12/80
Bituminous coal, others No. 5213120									
Canada	1,783,786	1,437,170	857,919	79,955,096	67,605,688	34,557,618	44.82	47.04	40.28
Japan	356,771	371,113	200,008	18,112,814	18,367,620	8,826,544	50.76	49.49	44.11
Denmark	226,935	307,912	258,519	13,174,437	12,932,792	11,811,303	58.05	41.99	45.69
Netherlands	342,712	148,600	331,998	16,993,061	7,061,559	13,537,116	49.58	47.51	40.78
Italy	215,710	365,466	274,944	11,350,600	18,367,620	11,509,657	52.61	50.25	41.86
China, Taiwan	346,516	168,429	—	15,229,622	6,547,265	—	43.95	38.87	—
Finland	62,077	203,132	—	2,815,843	9,516,865	—	45.36	46.84	—
Spain	233,291	358,479	—	11,292,924	16,192,632	—	48.40	45.16	—
France	172,691	260,576	199,829	7,055,827	12,017,736	7,271,202	40.85	46.11	36.39
Germany, F.R. (West)	195,146	145,896	—	11,181,334	7,304,804	—	57.29	50.06	—
Belgium	218,072	157,700	215,675	8,207,440	6,419,772	7,520,910	37.63	40.70	34.87
Total, above	3,753,707	3,766,773	2,338,962	195,368,998	175,814,062	95,034,350	52.04	46.67	40.63
Total, other nations	727,212	462,224	489,121	38,737,392	21,833,074	21,793,006	53.26	47.23	44.56
Total, all nations	1,102,582	4,228,997	2,828,083	234,106,390	197,647,136	115,827,356	21.23	46.73	41.31
Lignite No. 5213130									
Total, all nations	1,411	2,061	1,742	275,458	363,347	232,584	195.22	176.29	133.52
Coal coke for use as fuel No. 5213148									
Total, all nations	129,899	54,194	56,800	7,859,970	5,355,890	4,635,586	60.50	98.81	81.62
Petroleum coke, except calcined No. 5213150									
Japan	128,742	163,970	169,284	6,474,825	19,240,178	8,173,845	50.29	11.73	48.28
Netherlands	75,234	66,566	—	4,556,274	7,876,293	—	60.56	51.99	—
Canada	55,659	28,732	—	3,916,500	1,154,413	—	70.36	52.69	—
Total, above	259,635	461,074	330,590	14,947,599	23,925,901	13,977,182	57.57	51.88	42.28
Total, other nations	445,922	106,528	300,981	22,745,090	6,259,352	11,761,087	51.00	58.75	39.08
Total, all nations	705,557	365,786	631,571	37,692,689	19,240,178	25,738,269	53.42	52.59	40.75
Compositions for fuel No. 5213160									
Total, all nations	1,067	3,004	117	86,122	161,163	15,489	80.71	53.64	132.38
Anthracite No. 5213170									
Korea Rep. (South)	66,902	114,380	—	3,423,032	7,024,963	—	51.16	61.40	—
Total, all nations	100,553	171,392	56,650	5,721,688	10,877,393	3,789,826	56.90	63.46	66.90

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NEWS ROUNDUP

The Universities of Wyoming and North Dakota have been approached about **taking over two of the three Department of Energy fossl fuel research centers** slated to be cut from the federal budget. The other, in Bartlesville, Okla., is also in search of non-federal operation with the leading candidate being Phillips Petroleum Co., DOE sources say. DOE hopes private and state participants will assume overhead and operating costs so that federal research can continue there without transferring personnel to the two remaining federal facilities, in Morgantown, W. Va. and Pittsburgh, Pa. Fossil fuel **officials hope to have a private takeover plan** cinched before presenting a formal recommendation to Energy Secretary James B. Edwards, but sources admit **the congressional budget process could force earlier action.**

* * *

CSX Corp. of Richmond will acquire outstanding stock of the Carolina, Clinchfield and Ohio Railway Co. in exchange for a new class of CSX convertible preferred stock. CC&0 has no active operations but owns land and trackage which has been leased to two of CSX's major railroad subsidiaries. J. Calvin Knotter, CC&0's president, said the railroad's board felt the exchange would raise the yearly $5 per share dividend from rentals to the CSX subsidiaries while letting CC&O shareholders participate in the larger com-

(Continued on page 2)

Slurry Strategists See An Improved Climate For Federal Legislation

By Steve Marcy

WASHINGTON — Strategists for coal slurry pipelines see an improving climate for passage this year despite nearly a decade of dashed hopes and an increasingly crowded legislative calendar.

Sen. J. Bennett Johnston, D-La., has constructed his S. 1844 so that it falls solely within the jurisdiction of the Senate Energy Committee and stays out of the clutches of the Commerce Committee, the principal forum for railroad issues.

The rail industry, with greater ratemaking freedom since passage of the Staggers Rail Act in 1980, is in a weaker position to oppose legislation designed to give pipeline projects the right to ask federal courts for eminent domain, industry and some Capitol Hill sources believe.

Eminent domain allows pipelines to condemn private property for rights of way.

Parliamentary Interpretation

Capitol Hill sources say that Johnston has won an interpretation from the Senate parliamentarian that the entire Senate must

(Continued on page 4)

Congress Groping for Waterways Financing Plan

WASHINGTON — The House Water Resources Subcommittee completes its hearings this week on how to reverse 190 years of total reliance on the federal government for building and maintaining the nation's waterways.

The subcommittee's chairman isn't sure if the hearings have sufficiently enlightened the panel on the total impacts of the reversal, but it plans to begin writing legislation next month. It would impose ton-mile segment and system-wide fees for partially financing the rehabilitation and upkeep of coal ports.

Subcommittee aides continue to expect that "we'll get something" in the way of cost recovery this year, despite controversial fights over the budget and the economy already crowding the legislative calendar.

Subcommittee Chairman Robert Roe, D-N.J., noted repeatedly during witnesses' testimony this month that neither the administration nor industry could assess comprehensively the impact on trade of a "triple tax" of users fees.

May "Nickel and Dime"

Roe's concern is that the combination of a ton-mile inland maintenance fee, ton-mile charges on segments undergoing major renovation, deep-draft port capital cost recovery and port maintenance fees will nickel and dime the U.S. out of a competitive position in the coal and grain markets.

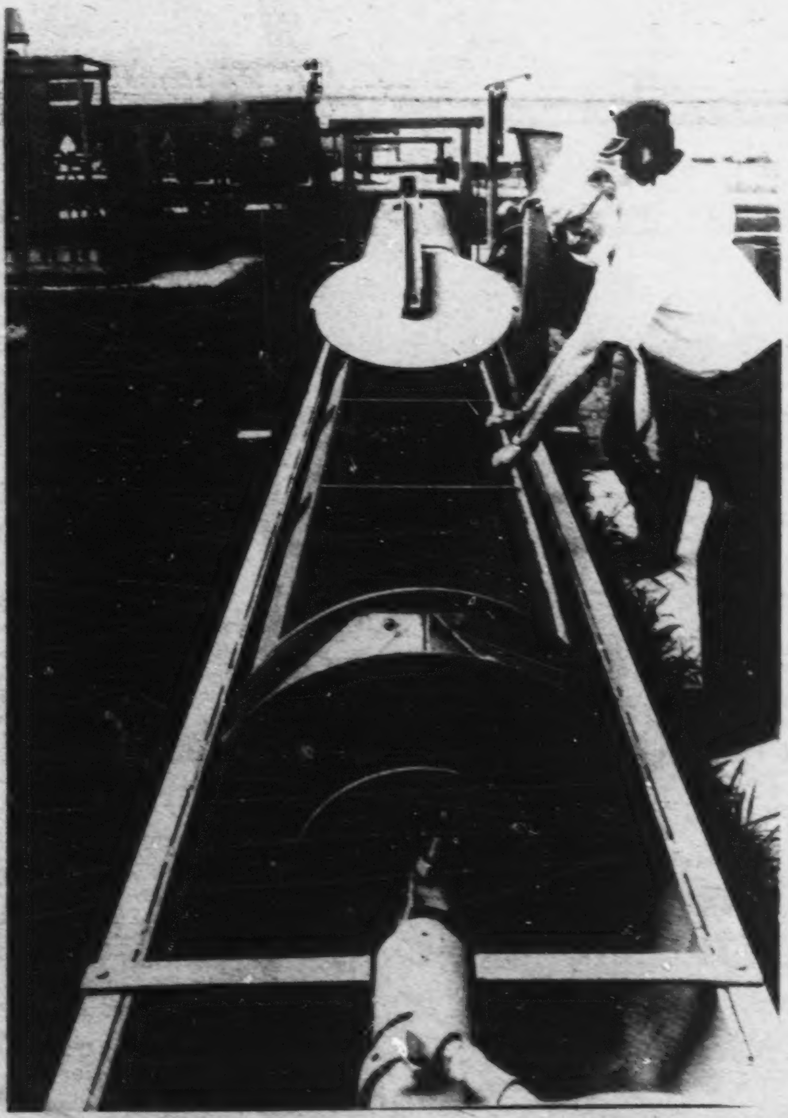
The U.S. already receives about $8 billion yearly in customs fees. Roe and others indicated that these revenues, in combination with segment and new tonnage fees on U.S. goods moving to export, would be recommended by the subcommittee for a partial offset of dredging and maintenance costs, but not full cost recovery as the administration wishes.

The Public Works Committee's resistance to Reagan administration proposals was underscored in its recommendation to the House Budget Committee. It rejected an administration-requested cut of $150 million, avoiding an attempt by the administration to use the cut as a lever to force the adoption of users fees.

(Continued on back page)

As Slurry Technology Improves

Options Range from Air to Plastic Bags



BEARDED INVENTOR of "Tubexpress," Dr. M.R. Carstens, professor emeritus at the Georgia Institute of Technology, checks prototype vehicle at Houston test loop of new slurry transport process.

By Gene Smith

NEW YORK — Someday in the not-too-distant future, coal may be arriving regularly at power plants or ports by pipelines. It may be mixed with water, methanol or some other liquid or gas, or it may come in huge plastic bags floating in saline water. And it might also arrive in special air-propelled vehicles.

Each of these possibilities is in various stages of development and each offers specific advantages. The chief roadblock towards actual operations is the nation's railroads who, for more than a century, have held virtual monopoly on long-distance hauling of coal.

The only other competition has come from barges and ships on inland waterways and in intracoastal traffic and from trucks serving regional needs.

Special Report

The concept of shipping coal in pipelines is not new. An above-ground pipeline was used to transport coal in liquid form in New York City prior to 1900 and in 1914 a coal slurry pipeline was operating in London. In 1957 Consolidation Coal built a 10-inch, 108-mile line from Cadiz, Ohio, to a power plant at Cleveland. It handled about 1.2 million tons of coal annual for 6 years until the utility was persuaded to switch to lower cost unit trains for shipping coal to all of its power plants.

Ironically, the Black Mesa Pipeline, which has been running for more than 11 years across Arizona to California, is a wholly-owned subsidiary of Southern Pacific Pipeline, which is, in turn, owned by Southern Pacific Co., holding company for the railroad.

Can Live With Slurry

So, it appears that railroads can live with (and even own) slurry pipelines despite their vehement opposition towards granting proposed pipelines the needed right of eminent domain that would allow them to be constructed.

The very mention of coal slurry lines con-

(Continued on page 3)

FACTS & FIGURES

	WEEKLY		
	3/6/82	2/27/82	3/7/81
Production			
Bituminous, recent week	18,448	18,528	18,962
Bituminous, year to date	149,877	154,284	—
Anthracite, recent week	137	138	100
Anthracite, year to date	1,117	992	—
Railroad carloadings			
Bituminous, recent week	124,621	125,037	130,837
Bituminous, year to date	1,009,716	1,064,095	—
Anthracite, recent week	152	137	222
Anthracite, year to date	1,315	527	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY		
	3/6/82	2/27/82	3/7/81
Production by states, bituminous and lignite			
Eastern			
Alabama	600	603	620
Georgia	—	—	—
Illinois	1,369	1,375	1,443
Indiana	674	677	710
Kentucky:			
Eastern	2,422	2,433	2,493
Western	927	931	929
Total, Ky.	3,349	3,364	3,422
Maryland	91	91	104
Ohio	864	863	1,046
Pennsylvania	1,854	1,862	1,639
Tennessee	211	212	234
Virginia	927	931	1,183
West Virginia	2,696	2,708	2,427
Total, eastern	15,984	16,055	16,250
Western			
Alaska	17	17	19
Arizona	232	233	155
Arkansas	4	4	12
Colorado	421	423	364
Iowa	13	13	14
Kansas	17	17	21
Missouri	116	116153	
Montana	716	719	732
New Mexico	421	423	521
North Dakota	384	386	460
Oklahoma	118	118	113
Texas	695	698	691
Utah	316	317	327
Washington	110	110	53
Wyoming	2,233	2,243	2,499
Total Western	5,813	5,837	6,134
Total, United States	18,448	18,528	18,962

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY		
	1/82	12/81	1/81
Coal Labor			
All employees			
Coal Mining	255.1	257.7	251.4
Bituminous & Lignite	251.7	254.3	248.1
Production employees			
Coal mining	211.6	213.9	208.9
Bituminous & Lignite	208.5	210.8	205.9
Hours, weekly average			
Coal mining	40.9	42.7	42.1
Bituminous & Lignite	40.9	42.7	42.1
Earnings, hourly average			
Coal mining	12.41	12.38	10.40
Bituminous & Lignite	12.45	12.41	10.43
Earnings, weekly average			
Coal mining	507.57	528.63	437.84
Bituminous & Lignite	509.21	529.91	439.10

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY		
	12/81	11/81	12/80
Bituminous and Lignite			
Consumption			
Electric power utilities	52,958	46,873	51,068
Coal user stocks of coal			
Electric power utilities	159,144	159,454	178,269
Anthracite			
Consumption			
Electric power utilities	148	141	89
Coal user stocks of coal			
Electric power utilities	5,537	5,458	4,741

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	11/81	10/81	11/80
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Weekly, 2/9/82	94,841	97,046	93,501

	MONTHLY		
Price Indexes			
Bituminous Coal and Lignite	102.1	100.0	N.A.
Primary Products	104.1	100.0	N.A.
Prepared	101.7	100.0	N.A.
Steam electric utilities	101.9	100.0	N.A.
North Appalachia	100.8	100.0	N.A.
Spot	N.A	N.A.	N.A.
Contract	100.2	100.0	N.A.
South Appalachia			
Contract	N.A	N.A.	N.A.
Midwest	102.9	100.0	N.A.
Contract	103.3	100.0	N.A.
West	102.9	100.0	N.A.
Contract	102.9	100.0	N.A.
Metallurgical/coke producer	100.0	100.0	N.A.
High volatile	99.8	100.0	N.A.
North Appalachia	100.1	100.0	N.A.
Contract	100.2	100.0	N.A.
South Appalachia			
Contract	99.6	100.0	N.A.
West	100.6	100.0	N.A.
Low volatile	100.4	100.0	N.A.
North Appalachia			
Contract	N.A.	N.A.	N.A.
South Appalachia			
Contract	N.A.	N.A.	N.A.
All other industrial	102.0	100.0	N.A.
North Appalachia			
Contract	N.A.	N.A.	N.A.
Midwest			
Contract	100.5	100.0	N.A.
Unprepared (raw)	100.7	100.0	N.A.
For preparation at other establishments		N.A.	N.A.
For use without preparation	105.6	100.0	N.A.
Anthracite	153.1	153.1	148.0
Primary products	153.0	153.0	148.8
Prepared anthracite shipped	153.7	153.7	148.5
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Chestnut	145.0	N.A.	137.6
Pea	163.1	163.1	154.1
Buckwheat no. 1	N.A.	N.A.	142.7
Buckwheat no. 2	162.9	162.9	153.3
Buckwheat no. 4	N.A.	N.A.	N.A.
Buckwheat no. 5	N.A.	N.A.	N.A.

N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.
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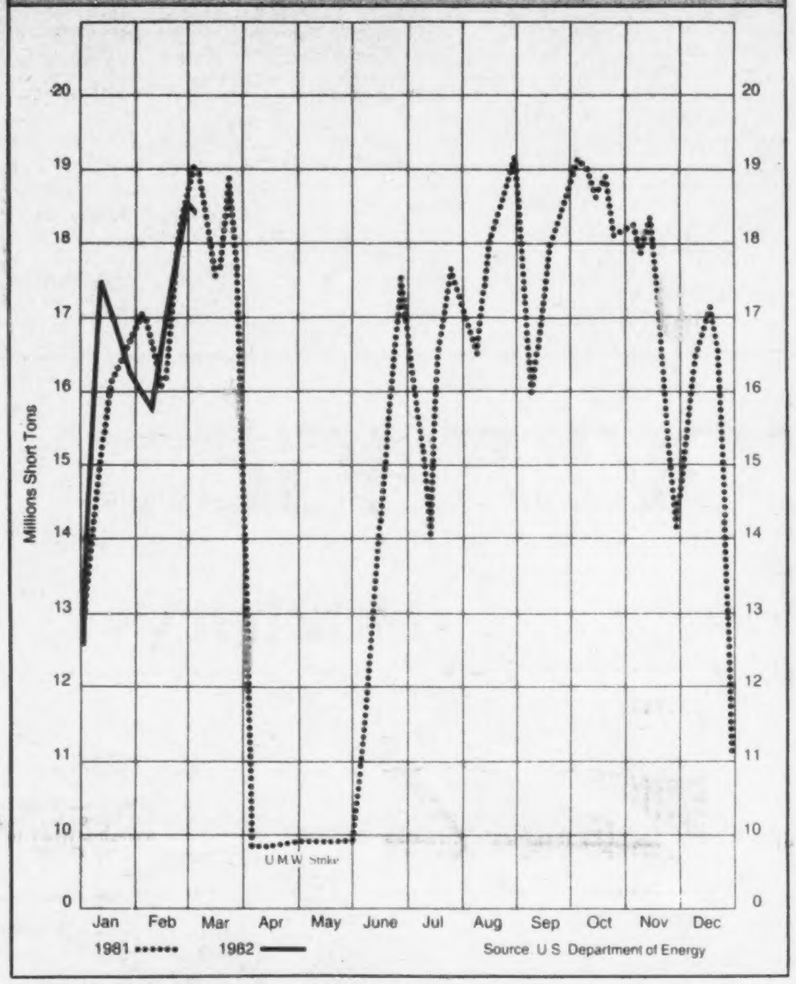
Domestic

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source U.S. Department of Energy

PRODUCTION of coal and lignite in the week ended March 6 declined by 80,000 short tons to 18.4 million short tons, a 0.4 percent decrease from the previous week, figures from the Department of Energy's Energy Information Administration show. The corresponding week for 1981 showed production at 18.9 million short tons. So far in 1982, bituminous and lignite production has totaled 149.877 million short tons, 2.9 percent fewer than in 1981.

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	1/82	12/81	1/81	1/82	12/81	1/81	1/82	12/81	1/81
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,180,461	2,558,195	1,352,538	121,747,643	147,810,251	77,009,244	55.83	57.79	56.94
Italy	858,002	1,088,193	402,067	42,880,186	50,450,041	21,749,815	49.97	46.36	54.10
Canada	1,260	1,304,348	NA	49,600	75,176,146	NA	39.36	57.63	NA
Brazil	327,239	434,193	220,007	16,807,270	17,899,509	12,820,451	51.36	41.22	58.27
Netherlands	96,553	260,985	161,811	5,673,286	14,903,230	8,507,084	58.75	57.10	52.57
Spain	217,067	224,512	331,073	10,058,073	11,531,326	16,763,275	46.33	51.36	50.63
Germany, F.R. (West)	114,548	265,898	112,064	6,017,629	10,835,265	6,159,665	52.53	40.74	54.97
Yugoslavia	38,718	67,694	—	2,300,673	3,958,919	—	59.42	58.48	—
Belgium	585,746	468,822	130,720	14,559,592	22,811,735	7,234,599	24.85	48.65	55.34
United Kingdom	165,388	217,391	—	10,132,713	11,922,133	—	61.26	54.84	—
Sweden	63,606	83,381	—	3,374,153	3,441,986	—	53.04	41.28	—
France	264,052	656,447	432,927	9,967,483	37,928,828	24,248,829	37.74	57.78	58.01
Total, above	4,912,639	7,492,365	3,283,275	243,568,301	408,669,369	182,161,137	49.57	54.55	55.48
Total, other nations	384,955	554,893	657,088	36,967,028	30,690,249	33,345,448	96.02	55.30	50.75
Total, all nations	5,297,594	8,047,258	3,940,363	280,535,329	439,359,618	215,506,585	52.95	54.59	54.69
Bituminous coal, others No. 5213120									
Canada	1,082	1,783,786	NA	53,630	79,955,096	NA	49.56	44.82	NA
Japan	301,750	356,771	177,439	14,523,143	18,112,814	8,147,193	48.12	50.76	43.77
Denmark	124,955	226,935	149,330	6,561,985	13,174,437	6,407,771	59.20	58.05	42.91
Netherlands	224,763	342,712	270,456	13,307,938	16,993,061	11,838,242	59.20	49.58	43.77
Italy	119,003	215,710	129,754	9,811,342	11,350,600	4,907,384	49.30	52.61	37.82
China, Taiwan	124,972	346,516	—	5,261,352	15,229,622	—	42.10	43.95	—
Finland	—	62,077	—	—	2,815,843	—	—	45.36	—
Spain	131,999	233,291	141,001	7,252,277	11,292,924	5,994,837	54.94	48.40	42.51
France	64,292	172,691	365,510	2,314,512	7,055,827	14,608,538	36.00	40.85	39.97
	1/82	12/81	1/81	1/82	12/81	1/81	1/82	12/81	1/81
Germany, F.R. (West)	—	195,146	—	—	11,181,334	—	—	57.29	—
Belgium	—	218,072	136,157	—	8,207,440	5,152,261	—	37.63	34.84
Total, above	2,483,950	3,753,707	1,369,647	124,037,374	195,368,998	57,056,226	49.93	52.04	41.66
Total, other nations	1,172,806	727,212	416,986	59,086,179	38,737,392	20,852,984	50.38	53.26	50.01
Total, all nations	1,311,144	1,102,582	1,786,633	64,951,195	234,106,390	77,909,210	49.53	21.23	43.61
Lignite No. 5213130									
Total, all nations	1,057	1,411	2,519	262,544	275,458	341,870	248.38	195.22	135.72
Coal coke for use as fuel No. 5213148									
Total, all nations	42,595	129,899	94,491	3,685,632	7,859,970	5,673,870	86.52	60.50	60.05
Petroleum coke, except calcined No. 5213150									
Japan	117,104	128,742	164,179	6,611,770	6,474,825	6,056,742	56.46	50.29	36.89
Netherlands	28,744	75,234	—	1,524,235	4,556,274	—	53.02	60.56	—
Canada	13,741	55,659	—	683,383	3,916,500	—	49.73	70.36	—
Total, above	159,589	129,899	164,179	8,819,388	14,947,599	4,996,594	55.26	57.57	30.43
Total, other nations	339,627	445,922	108,929	19,487,696	7,859,970	4,996,594	57.37	60.50	45.87
Total, all nations	499,216	705,557	273,108	28,307,084	37,692,689	11,053,336	56.70	53.42	40.47
Compositions for fuel No. 5213160									
Total, all nations	288	1,067	284	26,398	86,122	43,166	99.24	80.71	151.99
Anthracite No. 5213170									
Korea Rep. (South)	141,868	66,902	—	5,489,631	3,423,032	—	38.74	51.16	—
Total, all nations	146,982	100,553	85,331	5,975,353	5,721,686	2,240,505	40.65	56.90	34.29

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NEWS ROUNDUP

Eight Japanese steel mills agreed to **a 25.4 percent increase in the price of Queensland Coking Coal** as their new fiscal year began Thursday. The new price will be $66 (U.S.) per metric ton FOB, compared with the previous $53.02. Japanese mills will buy 2.3 million metric tons under the one-year contract which still has to obtain Australian government approval.

* * *

Occidental Petroleum Corp. has agreed with China to conduct **a feasibility study which may lead to joint development of a major new surface coal mine** at Pingshuo, 500 kilometers west of Peking. Occidental Chairman Armand Hammer said his company would invest $230 million if the mine goes forward with profits to be shared with the Chinese after recovery of the capital. Hammer said plans call for annual production of 15 million metric tons by 1986.

* * *

Jean-Pierre Hugon has been dismissed as managing director of France's national coal board.. Hugon was reportedly fired from Charbonnages de France for lending support to criticism of the Mitterrand government's recent natural gas contract with Algeria's Sonatrach — by which the French

(Continued on page 4)

INSIDE

ARCO COAL CO.'S merger into Anaconda Minerals will mean several hundred layoffs, the company estimates. That and other **Reports from our Correspondents on page 3.**

PG&E'S FUEL STRATEGY prominently included coal five years ago, but a number of factors combined to push it out of the utility's picture. Nick Snow examines what happened in his first **Coal Commentary on page 19.**

ONLY A FEW BILLS involving energy are on the congressional horizon, with several others effectively postponed. Steve Marcy takes a look at what survived, what didn't and why in his latest **Washington, FYI on back page.**

Special Section
EXPORTS
Starts on Page 7

Plans to Limit Coal Severance Taxes Stall

By Steve Marcy

WASHINGTON — Short of a massive retrenchment of federal aid for water projects that forces western states to sharply increase energy levies, a congressional limitation on coal severance taxes is dead for this year.

The House Fossil and Synthetic Fuels subcommittee tried to extend the life of the comatose issue by calling hearings on a bill that would limit state taxation rates to 12.5 percent of the value of the coal. Only two of four witnesses showed.

So futile is the cause in this time of transferring greater tax burdens to the states that the subcommittee will not meet to consider the legislation, subcommittee sources say. The bill's carrying 61 co-sponsors will not help.

Further cuts in social programs also would not likely force state energy taxes to unacceptable levels; beneficiaries of those programs are not concentrated in the states that have any energy resources to tax.

Only if Congress cut deeply enough into western state water programs to force offsetting them with much higher severance taxes could enough pressure build to force congressional action, subcommittee sources tell *Coal Industry News*.

An outside possibility is for the Senate Energy Committee to move its version of the bill, a prospect that House staffers consider hardly likely when they look at the western makeup of that panel.

Target of the 12.5 percent limitation are the taxes levied by Montana of 30 percent and the combined county and state taxes of 17.5 percent levied by Wyoming.

Walter McCarthy, chairman and chief executive officer of Detroit Edison and also testifying for the Edison Electric Institute, said the taxes were passed on higher electric bills and even if by themselves were miniscule compared to that added by rail rates.

"But the comparison is no defense to rapacious severance taxes," McCarthy said. "The point is that electricity costs are made up of many individual components, and the only way to bring the total cost down is to work at trying to reduce every one of these components."

McCarthy argued that not all Detroit Edison customers were residential users in whose bills coal severance taxes go unnoticed. The utility executive said that one steel company undergoing Chapter 11 reorganization in his service area projects its electric bill would include $30 million paid to the Montana treasury over the 26 year life of the coal contracts the utility has with Montana-located coal companies.

Charles E. McClure Jr., a senior fellow at Stanford University's Hoover Institution,

(Continued on page 5)

WATERING COAL at Houston Lighting and Power Co.'s Parish station is part of supply operation supervised by Wheelabrator-Frye. The service is part of a new direction the Hampton, N.H., company is taking beyond what it's done previously: Its Torkelsen-Kellogg division designed and constructed the Parish coal-handling system.

Wheelabrator-Frye's 'Mine-to-Boiler' Approach

System Package Opens Up New Choices for Utilities

By Gene Smith

HAMPTON, N.H. — Wheelabrator-Frye, Inc., has come up with "a turnkey mine-to-boiler package" for electric utilities that enables them to avoid soaring capital costs and, thus, provide power at lower costs.

"We, basically, can tell utilities how much their coal is going to cost crushed and ready to burn on either a tonnage or a BTU basis," A. Paul Flask, vice president of energy, told *Coal Industry News* in an interview at company headquarters.

"Really, that's the only number that's meaningful," he went on. "It's a new 'buy decision' for the utilities. It's a little bit difficult for the engineering concern that may be a consultant because they prefer to break everything apart and look at the components. Our approach is that that's not the way the business should be done.

"It's essentially a financial transaction, but it shouldn't be done any differently than when you go to the coal mine. You don't go there and say; 'Oh, it's X dollars a ton, now what are your costs?' It's really a decision as to whether it's a reasonable price for coal delivered and whether it will be an acceptable passthrough for the fuel adjustment clause."

Editor's Report

Wheelabrator announced on Feb. 1 that it had contracted to own and operate a completed coal-unloading facility, including 390 coal cars, at Southwestern Public Service Co.'s new Tolk station near Muleshoe, Texas. Cost of the facility and rail cars was put at $47 million. Wheelabrator will own and operate the facility under a renewable, 20-year service agreement.

This brings to three the utility coal-handling systems the company operates. They have a combined capacity of 18 million tons of coal a year, equivalent to 72 million barrels of imported oil. This involves a fleet of 3,545 coal cars.

The initial system was developed in 1976 in cooperation with Southwestern Public Service's Harrington station near Amarillo. The facility was designed and built by Torkelson-Kellogg, an affiliate of Wheelabrator's Pullman Standard. Wheelabrator owns, operates and maintains the 5 million-ton a year facility.

Subsequently, Wheelabrator contracted to engineer, construct and operate a 10 million-ton a year facility at Houston Lighting and Power's Parrish station at Thompson,

(Continued on page 4)

Utility Appropriations Dip To Lowest in 5 Quarters

NEW YORK — The nation's investor-owned electric and gas utilities appropriated $8.3 billion, seasonally adjusted, for new plant and equipment in the fourth quarter of 1981, down 18 percent from the third quarter and 34 percent less than the second quarter, according to the Conference Board.

Fourth-quarter appropriations were the smallest in five quarters, with the electric utilities accounting for this dip. Gas appropriations, which registered a moderate gain in the third quarter, showed little change in the final quarter last year.

Actual capital spending by the investor-owned utilities climbed to a record $8.9 billion in the fourth quarter, up 4 percent from the third quarter. Total capital spending by the utilities amounted to $33.2 billion in 1981, an 8 percent gain over 1980.

Record spending by both the electric and gas utilities in the fourth quarter, coupled with large cancellations of previously-approved projects by the electric utilities, cut the backlog of unspent appropriations to $98.6 billion in the end of 1981. It was the lowest level in two years.

Gas companies appropriated $1.32 billion in the fourth quarter, only a slight increase from the third quarter. Record expenditures in the last half of 1981 ($1.75 billion in the fourth quarter) helped make 1981 the strongest year on record for the gas industry, continuing an expansion that began in 1977. Net appropriations in 1981 were $6.24 billion (14 percent above 1980 and more than triple those of 1976); expenditures were $5.98 billion (17 percent above 1980 and 2 ½ times higher than 1976).

The electric utility industry has sharply reduced its expansion plans in recent years, but because of the long construction lead times and the increased cost of generating equipment, actual expenditures will continue to rise, as they did in 1981, to a record $27.2 billion.
— Bruce Fraser

In Acrimonious Atmosphere

House Committee Begins Amending Clean Air Act

WASHINGTON — A polarized House Energy and Commerce Committee began arduously amending the Clean Air Act last week in an acrimonious atmosphere left over from the subcommittee debate.

The committee is working from a proposed package of largely industry-backed amendments approved 13-7 by the Health and Environment Subcommittee.

Committee Chairman John Dingell, D-Mich., whose district includes Detroit, backs the package and indicated in the subcomittee he probably has the votes to ultimately move it.

But he sparred long but inconclusively with Rep. Timothy Wirth, D-Colo., whose opening gambit was to try inserting in the policy-statement section of the bill language that could make it embarrassing if not impossible for Dingell to liberalize the emission limits for autos and stationary sources, including coal.

The Wirth proposal would have recognized a stretch-out of air pollution compliance deadlines contained in subcommittee recommendations, but would have forbidden the removal of pollution control equipment from existing plants or autos as part of the deadline stretch out. This would prevent states from relaxing existing controls as part of any plan to spurt industrial growth while awaiting for the deadline to arrive.

Further Provisions

The subcommittee bill allows auto manufacturers to revert to the 1980 carbon monoxide limit of 7 grams per mile, which is to be reduced to 3.4 grams per mile in 1983 under current law. Coal-burning and other stationary sources under the subcomittee bill need not install the best available control technology if their emissions are under 500 tons annually.

The Wirth proposal consumed the entire first day of debate and ended with his withdrawing it on a vague promise he could go back and reoffer it in the same, opening sections of the bill later in the debate.

Wirth's opening maneuver could foretell a series of wheeling and flanking movements between Dingell's forces and the environmentalists that could lead to the parliamentary equivalent of World War I trench warfare.

That perhaps protracted parliamentary battle will be over issues crucial to the type of coal used and the site where it's burned, including:

- The stringency of pollution controls put on new electric power plants. Present law requires them to achieve the "lowest emission rate achievable," but the subcommittee bill would replace this with "best available control technology" which would mean that in use and which is also available from a cost standpoint.

- The elimination of fugitive dust from surface coal mines as a factor in determining whether visibility standards in clean-air areas have been violated.

- The continued use of existing tall stacks to disperse sulfur dioxide from coal-fired utilities and excusing them from any further clean-up if they stay within average emissions detected within the last three years.

- Continuation of the requirement that sulfur dioxide must be scrubbed from stacks of new utilities burning both high- and low-sulfur coals. The bill eliminates a similar requirement for industrial stacks that is a provision of existing law but which has never been invoked.

National Coal Association Lowers Forecast of Output, Consumption

WASHINGTON — The National Coal Association expects coal production to decline 6 million tons and consumption 9 million tons compared to its January forecast for 1982.

The trade association blamed a sluggish economy, high interest rates and declining oil prices for its downward revision from the January projections of 877 million tons produced and 886 million tons consumed this year.

Production and consumption would still break 1980's record of 823.6 million tons produced and 788.9 million tons consumed. Last year's strike reduced production to 805 million tons while consumption still hit a record 844 million tons as electric utilities dipped into their inventories and exports held steady.

U.S. utilities should increase their consumption by 3.2 percent to 615 million tons, compared to 4.9 percent rate last year. The falloff in coal consumption growth was caused by electricity generation increasing by only two percent in 1982 and only a percentage point rise in coal's share of the utility market, from 52 percent to 53 percent.

High coal stockpiles in Europe, stable or declining oil prices and the increased availability of coal from competing countries will hold coal export constant at 110 million tons, the same as 1981, NCA forecasts.

Other Projections

Metallurgical coal purchases will at least approximate the 1980 level, reaching 66.5 million tons in 1982 after slumping to 62 milion tons in 1981. Not all of that will be consumed, however, as steel compamies rebuild coke inventories.

Industrial and retail coal use is forecast to reach 77 million tons only 1.3 percent above the 1981 level of 76 million tons. Slow economic growth and declining oil prices again are the culprits for the only modest increase.

While the overall level remains constant, the overall mix of export coals will change again, reflecting continued increased demand for steam coal at the expense of metallurgical coal. However, this is partially offset by the movement of some met coal into some steam uses. Excluding shipments to Canada, steam coal exports will increase from 1981's record 33 million tons to 37 million tons in 1982, NCA forecasts. Met coal exports will fall to 55 million tons from 1981's 59 million tons.

The 110 million tons is an increase from the January forecast and the big reason for NCA not predicting a sharper overall decline from its totals forecast in January.

Regionally, eastern U.S. production will rebound to 590 million tons from the strike-interrupted 527 million tons of 1981, a three percent increase over the 572.6 million tons of 1980, a more normal year.

Western U.S. production shout reach 290 million tons, a 5.5 percent increase from the 275 million tons in 1981. The 290 million tons is also a 3 million-ton drop from January's expectations.

HOW INDUSTRY FORECASTS U.S. COAL USE PATTERNS

(Million Tons)

Category	Final 1980	Preliminary 1981	Forecast 1982	Percent Change 1982/81
Domestic Consumption:				
Electric Utilities	568.3	596	615	+3.2
Coking Coal	66.5	62	66	+6.5
General Industry and Retail	64.2	76	77	+1.3
Total Domestic Consumption	**699.0**	**734**	**758**	**+3.3**
Exports to:				
Canada:				
Steam	10.8	12	11	−8.3
Metallurgical	6.3	6	7	+16.7
Total	17.1	18	18	0.0
Overseas:				
Steam	16.0	33	37	+12.1
Metallurgical	56.8	59	55	−6.8
Total	72.8	92	92	0.0
Total Exports	**89.9**	**110**	**110**	**0.0**
Total Consumption	**788.9**	**844**	**868**	**+2.8**
Production				
East	572.6	527	590	+12.0
West	251.0	275	290	+5.5
Total U.S.	**823.6**	**802**	**880**	**+9.7**
Imports				
Coal	1.2	1.6	1	−37.5
Coke	0.7	.6	.6	0

Source: National Coal Association Economics Committee

Office of Surface Mining Offers 4 Revisions

WASHINGTON — The federal Office of Surface Mining is continuing its effort to rewrite its rules despite being sued for failing to consider carefully enough the environmental impacts its proposed changes might cause.

OSM issued four proposed revisions in the past two weeks, the most controversial of which would set a time limit on the exemption old mines enjoy for restoring prime farmlands.

Environmentalists have sued OSM over the entire rewrite of the program for failing to prepare environmental impact statements at each stage. The surface mining law explicitly states, the suit contends, that each revision of the regulations is to be considered a significant environmental action requiring an impact statement.

The farmlands proposal contains two alternatives, one requiring all new extensions of old permits to comply with the provisions after Aug. 3, 1982 and the other giving the states five years to decide when to end the exemptions.

In both cases, the exemptions apply only to the extension of mining operations covered in permits issued prior to Aug. 3, 1977, the date of enactment of the Surface Mining Control and Reclamation Act.

Hearings Scheduled

It is controversial because some senators contend that the law they helped write never intended for pre-surface mining act operations to go unrestored forever. Sen. Charles Percy's, R-Ill., Government Operations subcommittee called hearings into OSM's suspension of an original Aug. 3, 1982 cutoff date after farmers and others in Illinois complained that coal companies were extending the boundaries of old mines beyond the originally permitted area.

A second OSM proposal would require auger miners to leave access to underground coal reserves once augering is complete. The access would not be required, however, if state or federal regulators were satisfied that all the reserves were depleted or were too thin for economic recovery.

The section allowing experimental reclamation practices would be revised in part by dropping requirements for enforcing environmentally effective alternatives if the experiment fails. It would also no longer require periodic monitoring, recording and reporting on the progress of the practice.

Environmentalists have feared OSM under the Reagan administration would open a loophole in the law by liberally permitting cheap and ineffective reclamation techniques under the guise of "experimental practices."

The fourth proposal would amend the revegetation requirements in the permanent program by eliminating the need for field testing trees, shrubs, grasses and legumes that are not native to the mining area. The grazing provision, suspended by fedeal district court, will be dealt with after an appellate court rules on the legality of the suspension. The actual standards for revegetation and revegetation success would be left to the states. — Steve Marcy

EXPORTS OUTLOOK

Europeans Expect Coal Demand To Recover Modestly This Year

By Michael Parrott

PARIS — The European Economic Community expects a recovery in its coal demand this year. Imports from non-EEC countries are seen falling for the second year running, however, despite a decline in EEC coal production.

According to a report just submitted to the Council of Ministers of the 10-nation community, consumption should rise to 308.7 million tons in 1982 from 305 million in 1981 as the European economies move out of their worst recession since 1975.

But imports from non-EEC countries are expected to fall to 69.5 million tons from 70.8 million. EEC production is seen reaching only 243.4 million vs. 245.6 million in 1981.

The report by the Brussels-based EEC Commission finds consumption in the U.K. and France likely to fall for the second year running, to 117.6 and 39.6 million tons respectively. Consumption in Germany may rise 4 percent to 94.7 million tons and in Belgium to 17.6 million. Denmark, Holland and Italy are seen rising 23, 15 and 9 percent to 9.8, 7.0 and 20.1 million tons.

Recovery in anticipated coal demand would result from a 2 percent average growth anticipated for the EEC this year after a 0.5 percent GNP decline in 1981.

While coal production in Belgium and France is projected to remain virtually unchanged this year at 6.2 and 18 million tons, output from Germany and the U.K. is due to decline slightly to 94.6 and 124.5 million tons. This would bring overall EEC production to 243.4 million tons from 245.6 million in 1981.

Imports Will Fall

Despite anticipated demand recovery within the EEC and the continued production decline, imports from non-EEC countries are seen falling for the second straight year.

In 1981, they fell to 70.8 million tons from 74.5 million, the first drop since 1974's 38 million. In 1982, the decline is expected to continue, imports being only 69.5 million. Of this, 43 million tons would be steam coal and 23.3 million coking coal.

Germany, Belgium, Denmark, Italy and Holland are set to increase imports slightly during 1982. France will cut back its purchases from non-EEC countries by 5 million tons to 15.2 million as it switches more to nuclear power.

The EEC import cut is not expected to affect the United States. The U.S. is seen raising its deliveries to 35.3 million tons, more than 50 percent of the EEC's non-community supplies. South African coal is due to fall two million tons to 17.5 million. Australia's will rise 500,000 tons, to 8.5 million. Poland's supply is slated to remain steady, at 4.8 million, after falling from 13.7 million in 1980.

The report shows the U.S. supplied 34.5 million of the EEC's 70.8 million tons of imports last year. South Africa supplied 19.7 million, Australia 8 million, Poland 4.8 million. During the same period, France and Italy were the main importers within the community. They took 20.1 and 15.5 million tons respectively. Denmark, Germany, Belgium and Holland imported 8.9, 8.3, 7.3 and 5.6 millions.

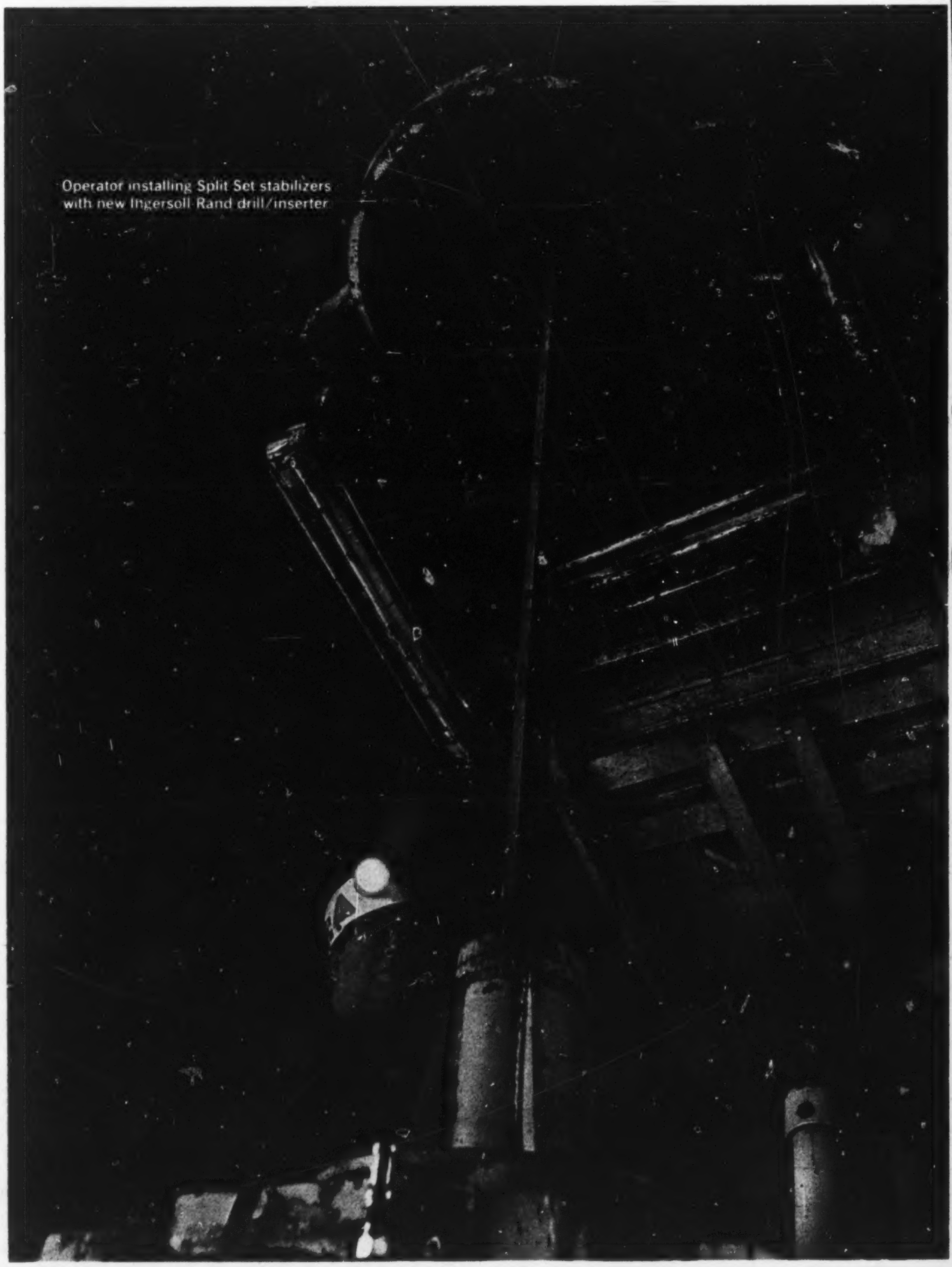
The U.S. made up for much of the 9 million decline in 1981 EEC imports by increasing deliveries by 6 million. It was an important coal source for virtually all EEC countries. Most were also customers of South Africa and Australia. Belgium, Denmark and Germany preferred the former as a supply source; the UK and Holland the latter.

The commission expects a slight decline in EEC's exports to non-EEC countries this year due to lower German exports. Coal exports rose very sharply last year to 3.4 million from 800,000 tons, following sharp increases in sales by Germany and the U.K. These are expected to decline slightly to 3.1 million. U.K. exports are due to rise again, to 1.7 million tons from 1 million. Germany's are seen falling to 1 million from 1.95 million. Coke exports will likely decline to 3.6

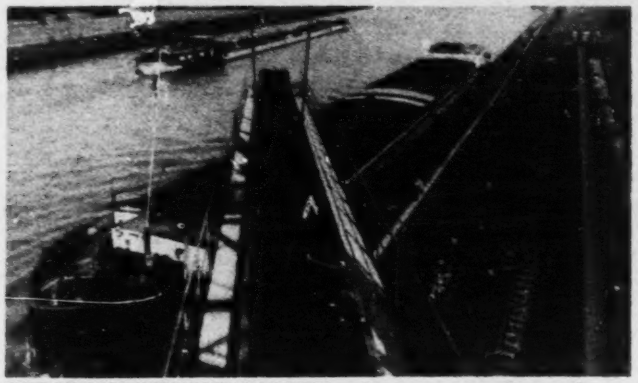
(Continued on page 13)

European Economic Community
Coal Consumption 1980-82

State	1980 Actual	1981 Estimates	1982 Forecasts
Belgium	16.7	17.0	17.6
Denmark	9.6	8.0	9.8
W. Germany	91.8	90.9	94.7
France	46.5	43.8	39.6
Greece	0.5	0.2	0.9
Ireland	1.2	1.4	1.2
Italy	17.0	18.5	20.1
Luxembourg	0.4	0.3	0.2
Netherlands	6.0	6.1	7.0
United Kingdom	123.8	118.9	117.6
TOTAL	313.5	305.0	308.7



Operator installing Split Set stabilizers with new Ingersoll Rand drill/inserter



EUROPEAN COMMON MARKET nations are expecting coal consumption to be around 308.7 million metric tons this year. This would be up from an estimated 305 million in 1981 but down from 313.5 million in 1980. Photo shows coal barge loading in West Germany.

French and British Coal Use Seen Off, Despite Danish, Dutch and Italian Rise

(Continued from page 12)

from 4.3 million, due to lower German and British sales.

Coal trade within the EEC is projected to fall to 18.3 million tons from 20.0 million. This would come from a drop in German exports to EEC member countries from 10.7 to 9.6 million and by Britain to 7.2 from 7.7 millions. Germany will be cutting its coal deliveries to Holland; the U.K. its deliveries to France.

The EEC coke trade is expected to remain virtually unchanged at 6.6 million vs. 6.9 million, with German exports falling slightly to 4.8 from 5 million.

The commission bases its EEC coal demand upturn on a slight increase in consumption by power stations and a sharp rise in industrial demand for coal. Consumption of coking plants and demand for coke and coal in households is seen still declining.

Power Stations

Under the EEC forecast, coal use in power stations would reach 182.6 million tons from 180.7 millions on a 3 percent rise in electricity generation to 1,241 billion gigawatts. This would follow a 1 percent decline last year. Generation by conventional thermal plants is seen as increasing 1 percent to 863 billion gigawatts, with output by coal-fired stations up 4 percent to 417.3 billion.

At the end of 1980, 103,000 of the community's 241,000 megawatts of conventional thermal capacity was based on coal and another 18,000 on lignite with the U.K. having 49,000, Germany 43,000 (of which 14,000 on lignite) and France 13,000.

Electric utility coal requirements are seen at 166.8 million tons this year vs. 169.3 million in 1981. Non-EEC imports would be only 36.2 million vs. 40.8 million, as France reduces its non-EEC imports to 7.7 from 12 million.

The U.K., which imported 1.45 million tons from non-community countries, is ceasing use of coal imports at its power stations. In the EEC, Britain has the largest coal needs for electricity generation. But it intends to meet all its 85.3 million tons of 1982 requirements from domestic production. National output will fill 32.9 million of Germany's 42 million tons of requirements, 3.6 out of Belgium's 6.7 million and 2.5 out of France's 12 million.

Use of coal, coal agglomerates and coke in households is seen dropping 3 percent to 23.6 million tons, with a particularly sharp fall in France.

Industrial Coal

Demand from industry for coal is forecast to rise 24 percent to 18.8 million tons, while that for coke declines 2 percent to 3.2 million. Virtually all EEC countries hope to register increases in industrial coal consumption, notably Italy, France and the U.K. However, the commission sees no sign of a major switch away from oil to coal in industry.

With production of cast iron and steel due to fall 2 percent this year to 87 and 123 million tons respectively, coke use within the steel industry would fall another three percent to 50.6 million tons. When industrial household and other demand is included, coke consumption is due for a 3 percent drop to 58.8 million tons.

According to the report, the EEC's coking plants will be producing roughly the same amount of coke this year as last — at 63.7 million tons. But their coal requirements will fall slightly to 83.3 millions from 84.4 millions. This would mean imports from non-EEC countries of such coal will remain unchanged at 23.3 million tons.

The commission claims that at the end of last year the EEC had 118 millions tons of coal stocks. This would equal 139 days supply.

The report finds that due to the strengthening U.S. dollar and bottlenecks in United States and Australian ports, the price differential between EEC coal and imported coal narrowed. But heavy subsidies were still required for EEC production. Countries with the lowest subsidy per ton, Germany and Britain, suffered a deterioration in their results. Those with the highest, France and Belgium, reportedly did better than the previous year.

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Ingersoll-Rand has solved this problem with a new combination drill and vibrating inserter that fits most roof bolters. Now coal miners, too, can drive Split Set tubes quickly and firmly into place. It takes less than 30 seconds to insert a five-foot stabilizer.

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For more information, write Ingersoll-Rand Company, Dept. A-361, Washington, NJ 07882.

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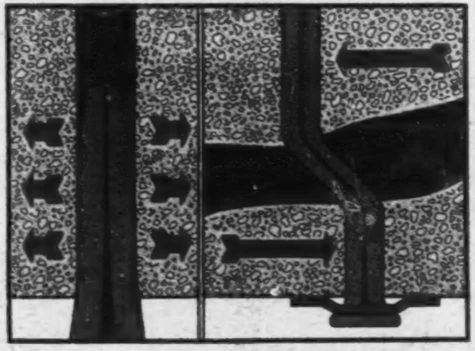


(1) Expansion force is activated by insertion.

(2) Shifts in rock strata increase holding power.

FACTS & FIGURES

	WEEKLY 3/20/82	3/13/82	3/21/81
Production			
Bituminous, recent week	17,917	17,960	19,166
Bituminous, year to date	185,774	191,200	—
Anthracite, recent week	133	133	130
Anthracite, year to date	1,363	1,232	—
Railroad carloadings			
Bituminous, recent week	120,567	121,214	135,340
Bituminous, year to date	1,251,497	1,320,197	—
Anthracite, recent week	347	141	346
Anthracite, year to date	1,814	1,089	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 3/20/82	3/13/82	3/21/81
Production by states, bituminous and lignite			
Eastern			
Alabama	583	585	620
Georgia	—	—	1
Illinois	1,330	1,335	1,443
Indiana	655	657	709
Kentucky:			
Eastern	2,353	2,361	2,520
Western	900	903	929
Total, Ky.	3,252	3,264	3,449
Maryland	88	88	108
Ohio	839	842	1,045
Pennsylvania	1,800	1,807	1,639
Tennessee	205	205	234
Virginia	900	903	1,183
West Virginia	2,619	2,628	2,527
Total, Eastern	6,451	6,473	6,636
Western			
Alaska	16	16	19
Arizona	225	226	160
Arkansas	4	4	13
Colorado	409	411	377
Iowa	12	12	13
Kansas	16	16	21
Missouri	113	113	158
Montana	696	698	782
New Mexico	409	411	521
North Dakota	373	375	460
Oklahoma	115	115	113
Texas	675	678	691
Utah	307	308	327
Washington	106	107	54
Wyoming	2,169	2,176	2,499
Total Western	5,646	5,666	6,308
Total, United States	17,917	17,980	19,166

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 1/82	12/81	1/81
Coal Labor			
All employees			
Coal Mining	255.1	257.7	251.4
Bituminous & Lignite	251.7	254.3	248.1
Production employees			
Coal mining	211.6	213.9	208.9
Bituminous & Lignite	208.5	210.8	205.9
Hours, weekly average			
Coal mining	40.9	42.7	42.1
Bituminous & Lignite	40.9	42.7	42.1
Earnings, hourly average			
Coal mining	12.41	12.38	10.40
Bituminous & Lignite	12.45	12.41	10.43
Earnings, weekly average			
Coal mining	507.57	528.63	437.84
Bituminous & Lignite	509.21	529.91	439.10

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 1/82	12/81	1/80
Bituminous and Lignite Consumption			
Electric power utilities	57,156	52,968	51,068
Coal user stocks of coal			
Electric power utilities	152,855	163,356	178,269
Anthracite Consumption			
Electric power utilities	128	148	89
Coal user stocks of coal			
Electric power utilities	5,517	5,537	4,741

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	1/82	12/81	1/80
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Weekly, 3/30/82	113,818	106,608	103,258

Price Indexes	MONTHLY 2/82	1/82	10/81
Bituminous Coal and Lignite	102.7	102.1	N.A.
Primary Products	102.7	101.4	N.A.
Prepared	102.3	101.7	N.A.
Steam electric utilities	102.5	101.9	N.A.
North Appalachia	100.4	100.8	N.A.
Spot	N.A	N.A.	N.A.
Contract	N.A.	N.A.	N.A.
South Appalachia			
Contract	N.A	N.A.	N.A.
Midwest	105.0	102.9	N.A.
Contract	105.7	103.3	N.A.
West	103.3	102.9	N.A.
Contract	103.3	102.9	N.A.
Metallurgical/coke producer	101.2	100.0	N.A.
High volatile	101.2	99.8	N.A.
North Appalachia	100.1	100.1	N.A.
Contract	100.2	100.2	N.A.
South Appalachia			
Contract	101.9	99.6	N.A.
West	100.5	100.6	N.A.
Low volatile	100.2	100.4	N.A.
North Appalachia			
Contract	102.4	N.A.	N.A.
South Appalachia			
Contract	N.A.	N.A.	N.A.
All other industrial	101.8	102.0	N.A.
North Appalachia			
Contract	96.6	N.A.	N.A.
Midwest			
Contract	100.5	100.5	N.A.
Unprepared (raw)	103.9	100.7	N.A.
For preparation at other establishments	102.1	N.A.	N.A.
For use without preparation	106.7	105.6	N.A.
Anthracite	153.1	153.1	148.0
Primary products	153.0	153.0	148.8
Prepared anthracite shipped	153.7	153.8	148.5
Stove	145.7	N.A.	139.4
Chestnut	145.0	N.A.	137.6
Pea	163.1	163.1	154.1
Buckwheat no. 1	N.A.	N.A.	142.7
Buckwheat no. 2	162.9	162.9	153.3
Buckwheat no. 4	N.A.	N.A.	N.A.
Buckwheat no. 5	N.A.	N.A.	N.A.

N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

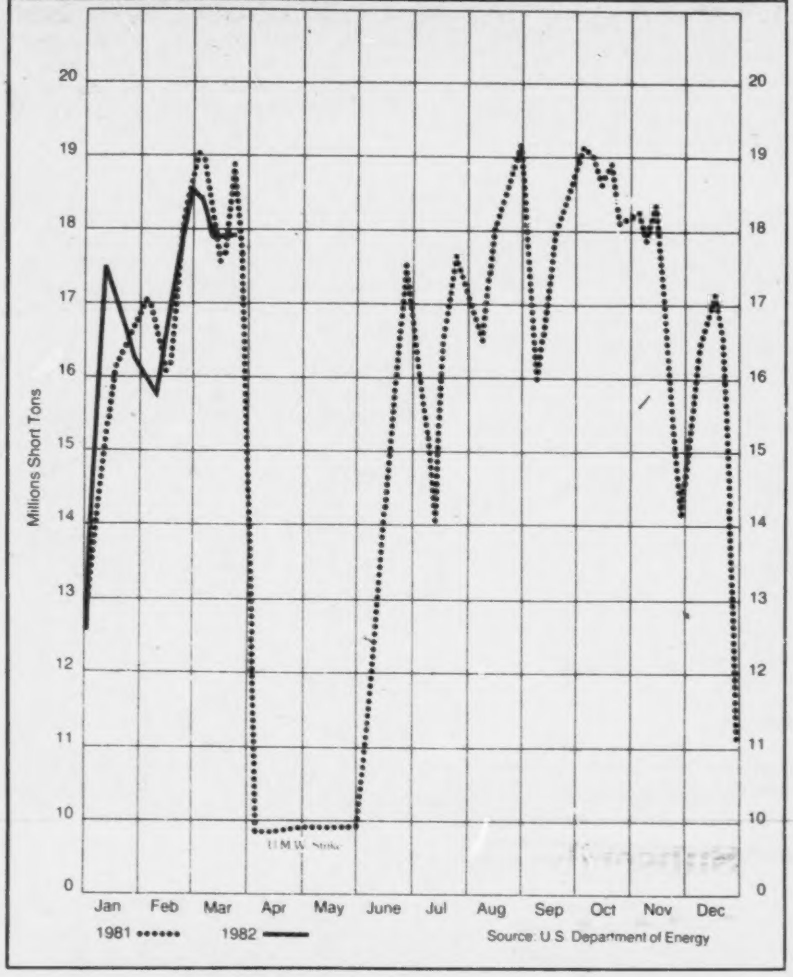
Exports & Imports

	Quantity in short tons 2/82	1/82	2/81	Dollar Value 2/82	1/82	2/81	Avg. Value per short on 2/82	1/82	2/81
Bituminous coal, low volatile blends to make coke No. 5213110									
Belgium	411,761	585,746	334,236	22,197,611	14,559,592	17,147,445	53.90	24.85	51.30
Brazil	324,664	327,239	173,849	15,734,185	16,807,270	9,824,929	48.46	51.36	56.51
Canada	839	1,260	—	31,969	49,600	—	38.10	39.36	—
France	516,876	264,052	425,839	24,398,457	37,928,829	24,248,829	47.20	37.74	56.94
Germany, F.R. (West)	231,964	114,548	211,893	14,395,766	6,017,629	11,043,514	62.05	52.53	52.12
Italy	1,225,797	858,002	599,666	57,489,463	42,880,186	30,711,452	46.89	49.97	51.21
Japan	3,205,786	2,180,461	910,597	181,985,663	121,747,643	49,350,372	56.76	55.83	54.20
Netherlands	293,543	96,553	377,564	15,734,185	5,673,286	19,141,533	48.46	58.75	50.70
Spain	341,694	217,067	309,874	16,586,989	10,058,073	16,763,275	48.46	46.33	54.10
Sweden	80,243	63,606	—	4,751,960	3,374,153	—	59.21	53.04	—
United Kingdom	253,436	165,388	104,006	14,332,537	10,132,713	4,368,000	56.55	61.26	42.00
Yugoslavia	236,318	38,718	—	13,563,179	2,300,673	—	57.39	59.42	—
Total, above	7,122,921	4,912,639	3,858,517	379,503,233	243,568,301	96,936,864	53.27	49.57	42.09
Total, other nations	893,965	384,955	98,528	49,564,463	36,967,028	3,781,864	55.44	96.02	38.38
Total, all nations	8,016,886	5,297,594	2,401,645	429,067,696	280,535,618	100,718,728	53.52	52.95	46.94

Domestic

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source: U.S. Department of Energy

BITUMINOUS COAL AND LIGNITE production dropped 63,000 short tons — 0.4 percent — to 17.9 million short tons for the week ended March 20 compared to the previous week, the Department of Energy's Energy Information Administration estimated. Production in the corresponding week of 1981 was 19.1 million short tons. Bituminous coal and lignite production from Jan. 1 to March 20 totaled 185.7 milion short tons, down 2.8 percent from the same period in 1981.

	Quantity in short tons 2/82	1/82	2/81	Dollar Value 2/82	1/82	2/81	Avg. Value per short ton 2/82	1/82	2/81
Bituminous coal, others No. 5213120									
Belgium	176,570	—	—	8,794,066	—	—	49.80	—	—
Canada	3,150	1,082	—	131,028	1,783,786	—	41.59	49.56	—
China, Taiwan	118,382	124,972	230,687	4,568,550	5,261,352	8,369,143	38.59	42.10	36.28
Denmark	143,808	124,955	241,419	7,723,244	6,561,985	9,187,901	53.70	59.20	38.06
Finland	—	—	176,780	—	—	7,577,541	—	—	42.86
France	243,523	64,292	392,141	11,553,213	2,314,512	14,598,928	47.44	36.00	37.23
Germany, F.R. (West)	120,376	—	257,495	6,724,937	—	13,525,903	55.86	—	52.53
Italy	308,100	119,003	409,780	13,525,851	9,811,342	17,128,923	43.90	49.30	43.90
Japan	319,100	301,750	113,248	16,736,490	14,523,143	5,051,150	52.41	48.12	44.60
Netherlands	60,093	224,763	—	2,950,991	13,307,938	—	49.10	59.20	—
Spain	218,288	131,999	149,020	10,828,441	7,252,277	6,574,644	49.60	54.94	44.12
Total, above	1,711,574	1,331,144	2,303,117	83,536,811	124,037,374	96,936,864	48.80	49.93	42.09
Total, other nations	116,844	339,627	98,528	6,359,951	19,487,696	3,781,864	54.43	50.38	38.38
Total, all nations	1,828,418	1,311,144	2,401,645	89,896,762	64,951,195	100,718,728	49.16	49.53	46.94
Lignite No. 5213130									
Total, all nations	2,325	1,057	1,262	248,349	262,544	171,678	106.86	248.38	136.04
Coal coke for use as fuel No. 5213148									
Total, all nations	101,474	42,595	47,300	6,525,777	3,685,632	3,685,422	64.30	86.52	77.92
Petroleum coke, except calcined No. 5213150									
Canada	10,932	13,741	—	547,117	683,383	—	50.04	49.73	—
Japan	150,382	117,104	99,254	7,810,568	6,611,770	4,476,584	51.93	56.46	45.10
Netherlands	43,442	26,744	194,586	2,300,423	1,524,235	10,961,907	52.95	53.02	56.33
Total, above	204,756	159,589	521,660	10,658,108	8,819,388	24,597,941	52.05	55.26	47.15
Total, other nations	65,094	339,627	64,945	14,194,422	19,487,696	3,115,771	54.32	57.37	47.98
Total, all nations	269,850	499,216	586,605	14,194,422	28,307,084	27,713,712	52.60	56.70	47.24
Compositions for fuel No. 5213160									
Total, all nations	8,582	288	40,155	514,118	28,398	2,355,168	59.90	99.24	130.44
Anthracite No. 5213170									
Korea Rep. (South)	36,355	141,688	—	2,259,463	5,975,353	—	62.14	38.74	—
Total, all nations	44,274	100,553	7,663	2,905,552	5,975,353	575,473	65.62	40.85	75.10

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Senate Energy Committee Schedules Slurry Hearings

By Steve Marcy

WASHINGTON — Additional cracks in the oppostion to coal slurry pipelines appeared last week with the Senate Energy Committee's announcement that it will hold hearings on the issue May 10.

The softening of opposition in the Senate panel, a bastion of western state senators worried about the impact of pipelines on water supplies, will also pay benefits in the House.

Slurry supporters on the House Public Works Committee say that the movement on the Senate side, no matter how slight, is the tonic they need to nurse that committee into following the lead of its subocmmittee on surface transportation. That panel voted two weeks ago 17-14 to recommend to the entire House that the pipelines be made eligible for federal-court-declared powers of eminent domain to cross rights of way.

The surface transportation subcommittee action would allow pipelines to be certified as a public convenince and necessity, a necessary precondition for a federal court's awarding of eminent domain status.

The bill, unlike a version approved late last year by the House Interior Committee, also clarified the rate-making and contract terms for hauling coal by all interstate pipelines, whether or not they ask for eminent domain authority.

Other Opposition Softened

This, slurry industry sources say, strengthens their hand in ultimately getting the legislation passed; it helps crumble any lingering opposition by the Interstate Commerce Commission. Under the Public Works bill, it is the ICC that would regulate the terms of the coal-haul contracts for all interstate pipelines.

The Senate movement is largely the product of Sen. J. Bennett Johnston, D-La., who ensured that his bill contained language that would protect water rights adequately enough to mollify a majority of the Senate Energy Committee. His bill carries 11 cosponsors.

Slurry industry sources say the Senate panel will hold one day of hearings, with a markup expected soon after. A key to the movement so far has been the willingness of Senate Energy chairman James McClure, R-Idaho, to at least keep quiet about any opposition he may have until after the bill receives a fair hearing, industry sources say.

After the House Public Works Committee acts, the House Energy and Commerce Committee wants to have at least 30 days to examine the legislation and make its changes.

That has sounded slurry legislation's death knell in the past, but House Energy Chairman John Dingell, D-Mich., lost his bid in 1980 to retain substantial controls on the rate-making authorities of the railroads. He now supports eminent domain legislation, industry and some Capitol Hill sources say, because of the need for coal-transporation competition as a counterweight to the new rate freedoms given to the rail industry.

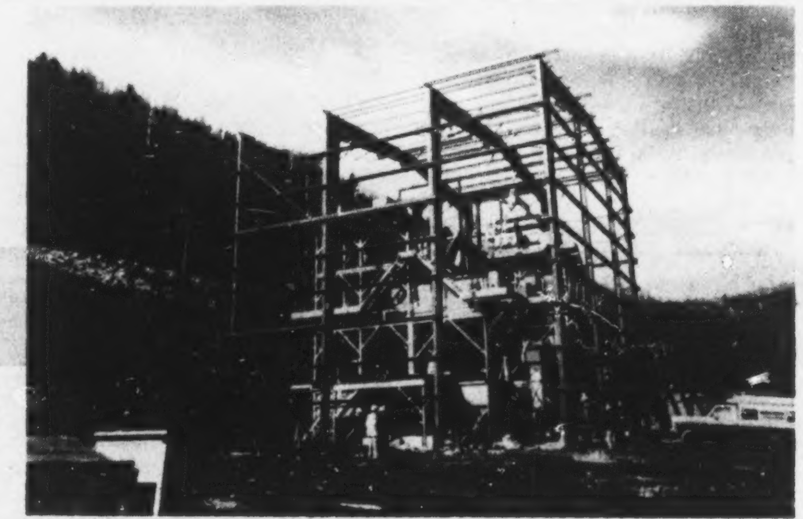
NEWS ROUNDUP

Great Britain's nationwide utility company wants to buy more foreign coal this year despite the country's National Coal Board reporting **near-record stocks of 24.5 million tons.** This poses problems for the Thatcher government which must decide whether to allow the Central Electric Generating Board to go ahead with its plans or renew an agreement reached last year under which the utility was compensated for keeping imports to a bare minimum. That agreement was part of the government's coal industry rescue **package that averted a nationwide miners' strike** in February.

* * *

Orange and Rockland Utilities got the green-light from the New York Department of Environmental Conservation to **convert the Lovett generating plant back to coal-burning.** The decision provides three options: use of 0.7 percent sulfur content coal; use of 1 percent sulfur coal in a single generating unit, or burning 3.8 percent sulfur coal with scrubbers. Still to be received is approval by the federal Environmental Protection Agency, officials say. Oranage and Rockland has taken the lead in fighting for conversion and the state has designated nine

(Continued on page 2)



Modules Strong on Prep Plant Scene

MODULAR CONSTRUCTION, though relatively new in coal preparation plants, is emerging as one of the most popular approaches. Used as building blocks to house and support each plant's system and equipment, this steel jacket will eventually house a 200 ton-per-hour plant. For more details on this and other prep plant strategies, turn to pages 4 and 5.

DOE Places its Bets on Clean Coal Slurried With Oil, Water to be Liquid Fuel of Future

WASHINGTON — Coal could become the liquid fuel of the future if the Department of Energy's desulfurization and ash-removal program has its way.

The research has nothing to do with reorganizing coal molecules into liquid synthetic fuels. It instead strives to ultimately mix very fine and very clean coal granules with oil and water and use the normal fuel-oil distribution system to deliver the mixture to conventional industrial and utility boilers.

DOE's fossil fuels office under the Reagan administration has decided to merge the coal preparation program, traditionally part of mining research, with programs for environmental control and direct combustion to develop a "super coal."

The administration is asking Congress for $2 million in coal preparation and analysis for fiscal 1983, part of an overall $8.6 million request for environmental control technology and coal preparation.

The 1982 appropriation was $25.1 million, and congressional committees with control over energy funding might be more inclined to fund closer to the 1982 levels than the administration's 1983 request.

What the administration intends to do

(Continued on page 5)

6 Tracts Withdrawn from April 28 Powder River Basin Lease Offering

By William Ritz

DENVER — Six tracts containing about 775 million tons of surface mineable coal have been withdrawn from the giant Powder River Basin federal lease sale scheduled for April 28 in Cheyenne, Wyo.

Officials said the surprise withdrawal came after some surface owners refused to agree to leasing the land for coal development.

The sale of 17 leases containing a total of 2.24 billion tons of recoverable coal in northeastern Wyoming and southern Montana had been touted as the largest single sale of federal coal on record. The April 7 withdrawal leaves 11 tracts — for new production tracts and seven maintenance tracts — containing about 1.5 billion tons of coal in the sale.

That amount is still a record, Stan McKee, Powder River project manager for the Bureau of Land Management, told *Coal Industry News.*

The withdrawal was seen by some opponents as an attempt to minimize criticism of the sale. Critics have questioned the need for such a sizable federal coal offering in light of the current soft market and the large amount already leased in the region but not yet developed.

Focus of Criticism

While few opponents have questioned the need for additional maintenance leases to allow continuing operations of existing mines, the leasing of new production tracts has drawn sharp criticism from several areas.

"That's not the case at all," said McKee. "It was simply surface consent (problems). We anticipated some of these."

Before land can be leased for mining, the federal government, under the Surface Mining and Reclamation Act of 1977, is required to obtain the consent of anyone who lives on the land, farms it or derives signifi-

(Continued on page 2)

INSIDE

EPA'S "BUBBLE" concept has been extended, and the agency has disclosed some of the prospective benefits. **Story on page 2.**

A FEDERAL LEASE SALE already held in Colorado — and seen by some observers as a preview of the upcoming Powder River Basin event — attracted record and near-record bids. Jim Hendon takes a closer look in his latest **Western Report on page 3.**

WATER MANAGEMENT legislation has been proposed in Pennsylvania. Some state and regional officials like the measure, but a leading industry association spokesman warns it could "turn several hundred years of common law water rights on their head." Andrea Scharf examines the issue in her first **Pennsylvania Report on page 8.**

FACTS & FIGURES

	WEEKLY 4/3/82	3/27/82	4/4/81
Production			
Bituminous, recent week	16,896	18,227	8,582
Bituminous, year to date	**220,897**	**218,343**	—
Anthracite, recent week	125	135	115
Anthracite, year to date	**1,843**	**1,472**	—
Railroad carloadings			
Bituminous, recent week	114,025	122,665	70,320
Bituminous, year to date	**1,488,207**	**1,518,578**	—
Anthracite, recent week	302	281	243
Anthracite, year to date	**2,397**	**1,623**	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 4/3/82	3/27/82	4/4/81
Production by states, bituminous and lignite			
Eastern			
Alabama	550	593	47
Georgia	—	—	—
Illinois	1,254	1,353	126
Indiana	617	666	167
Kentucky:			
Eastern	2,219	2,394	1,420
Western	849	916	405
Total, Ky.	**3,068**	**3,310**	**1,825**
Maryland	83	89	86
Ohio	791	853	376
Pennsylvania	1,698	1,832	673
Tennessee	193	208	145
Virginia	849	916	561
West Virginia	2,470	2,664	164
Total, Eastern	**8,505**	**9,174**	**2,345**
Western			
Alaska	15	17	17
Arizona	212	229	206
Arkansas	4	4	7
Colorado	386	416	337
Iowa	12	12	10
Kansas	15	17	16
Missouri	106	114	68
Montana	656	708	599
New Mexico	386	416	320
North Dakota	352	380	301
Oklahoma	108	117	65
Texas	637	687	510
Utah	289	312	131
Washington	100	108	93
Wyoming	2,045	2,206	1,732
Total Western	**5,646**	**5,666**	**6,308**
Total, United States	**16,696**	**18,229**	**8,582**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 2/82	1/82	2/81
Coal Labor			
All employees			
Coal Mining	254.1	255.4	249.9
Bituminous & Lignite	250.7	252.0	246.4
Production employees			
Coal mining	210.0	211.6	206.4
Bituminous & Lignite	207.0	208.5	203.3
Hours, weekly average			
Coal mining	41.9	40.9	41.0
Bituminous & Lignite	41.9	40.9	41.1
Earnings, hourly average			
Coal mining	12.39	12.40	11.25
Bituminous & Lignite	12.43	12.43	11.29
Earnings, weekly average			
Coal mining	519.14	507.16	461.25
Bituminous & Lignite	520.82	508.39	464.02

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 1/82	12/81	1/80
Bituminous and Lignite Consumption			
Electric power utilities	57,156	52,968	51,068
Coal user stocks of coal			
Electric power utilities	152,855	163,356	178,269
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	1/82	12/81	1/80
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Major district users:			
Electric utilities (Mil Kwh.)			
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Primary Products	102.6	102.7	N.A.
Prepared	101.7	102.3	N.A.
Steam electric utilities	101.8	102.5	N.A.
North Appalachia	102.1	100.4	N.A.
Spot	N.A	N.A.	N.A.
Contract	101.4	100.7	N.A.
South Appalachia			
Contract	95.9	N.A.	N.A.
Midwest	103.5	105.0	N.A.
Contract	104.0	105.7	N.A.
West	105.0	103.3	N.A.
Contract	105.0	103.3	N.A.
Metallurgical/coke producer	100.8	101.2	N.A.
High volatile	101.3	101.2	N.A.
North Appalachia	100.6	100.1	N.A.
Contract	100.7	100.2	N.A.
South Appalachia			
Contract	101.8	101.9	N.A.
West	101.1	100.5	N.A.
Low volatile	100.2	102.0	N.A.
North Appalachia			
Contract	100.2	102.4	N.A.
South Appalachia			
Contract	100.1	N.A.	N.A.
All other industrial	101.3	101.8	N.A.
North Appalachia			
Contract	97.4	96.6	N.A.
Midwest			
Contract	100.5	100.5	N.A.
Unprepared (raw)	105.9	103.9	N.A.
For preparation at other establishments	N.A.	102.1	N.A.
For use without preparation	106.7	106.7	N.A.
Anthracite	153.8	153.1	152.7
Primary products	153.6	153.0	152.7
Prepared anthracite shipped	154.5	153.7	153.3
Stove	N.A.	145.7	144.5
Chestnut	N.A.	145.0	143.8
Pea	N.A.	163.1	163.1
Buckwheat no. 1	N.A.	N.A.	N.A.
Buckwheat no. 2	N.A.	162.9	162.9
Buckwheat no. 4	147.0	N.A.	N.A.
Buckwheat no. 5	112.0	N.A.	N.A.

N.A.—Not Available

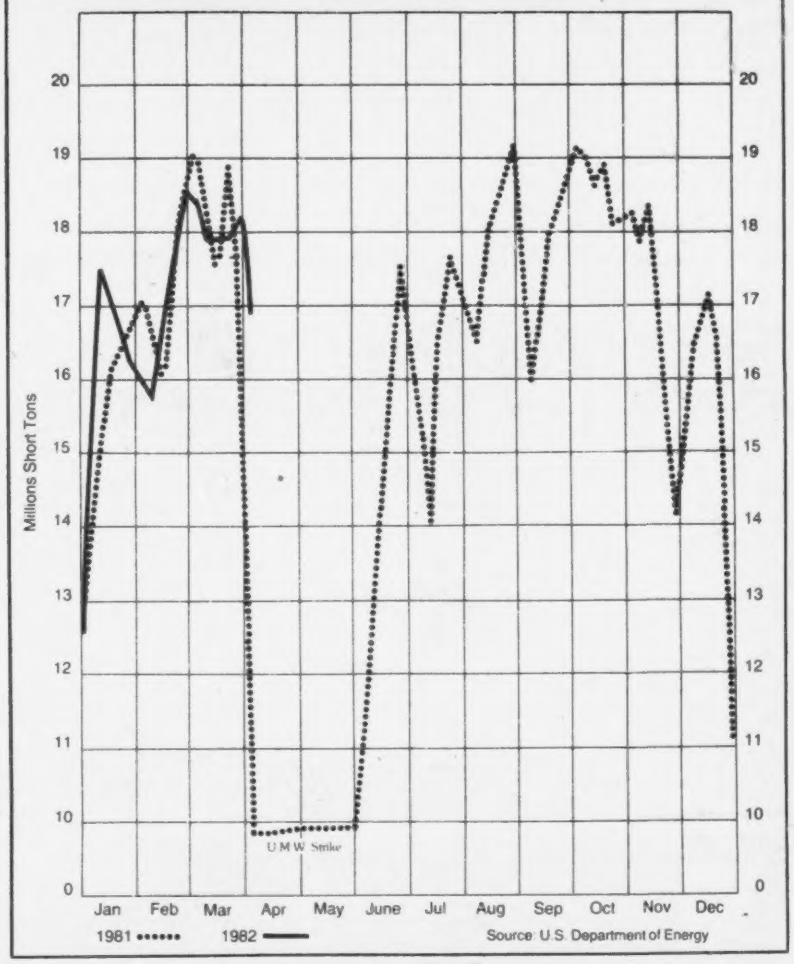
Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

Domestic

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source: U.S. Department of Energy

BITUMINOUS COAL and lignite production for the week ended April 3 reached 16.896 million short tons, a decrease of 1.331 million short tons from the previus week. The 7.3 percent decrease from the previous week, however, was far above the 8.582 million tons produced in the corresponding week of 1981, which came just after the United Mine Workers went on strike. Year-to-date production totaled 220.897 million short tons, a 1.2 percent increase from the corresponding period in 1981.

	Quantity in short tons 2/82	1/82	2/81	Dollar Value 2/82	1/82	2/81	Avg. Value per short ton 2/82	1/82	2/81
Bituminous coal, others No. 5213120									
Belgium	176,570	—	—	8,794,066	—	—	49.80	—	—
Canada	3,150	1,082	—	131,028	1,783,786	—	41.59	49.56	—
China, Taiwan	118,382	124,972	230,687	4,568,550	5,261,352	8,369,143	38.59	42.10	36.28
Denmark	143,808	124,955	241,419	7,723,244	6,561,985	9,187,901	53.70	59.20	38.06
Finland	—	—	176,780	—	—	7,577,541	—	—	42.86
France	243,523	64,292	392,141	11,553,213	2,314,512	14,598,928	47.44	36.00	37.23
Germany, F.R. (West)	120,376	—	257,495	6,724,937	—	13,525,903	55.86	—	52.53
Italy	308,100	119,003	409,780	13,525,851	9,811,342	17,128,923	43.90	49.30	43.90
Japan	319,100	301,750	113,248	16,736,490	14,523,143	5,051,150	52.41	48.12	44.60
Netherlands	60,093	224,763	—	2,950,991	13,307,938	—	49.10	59.20	—
Spain	218,288	131,999	149,020	10,828,441	7,252,277	6,574,644	49.60	54.94	44.12
Total, above	1,711,574	1,331,144	2,303,117	83,536,811	124,037,374	96,936,864	48.80	49.93	42.09
Total, other nations	116,844	339,627	98,528	6,359,951	19,487,696	3,781,864	54.43	50.38	38.38
Total, all nations	**1,828,418**	**1,311,144**	**2,401,645**	**89,896,762**	**84,951,195**	**100,718,728**	**49.16**	**49.53**	**46.94**
Lignite No. 5213130									
Total, all nations	**2,325**	**1,057**	**1,262**	**248,349**	**262,544**	**171,878**	**106.86**	**248.38**	**136.04**
Coal coke for use as fuel No. 5213148									
Total, all nations	**101,474**	**42,595**	**47,300**	**6,525,777**	**3,686,632**	**3,685,422**	**64.30**	**86.52**	**77.92**
Petroleum coke, except calcined No. 5213150									
Canada	10,932	13,741	—	547,117	683,383	—	50.04	49.73	—
Japan	150,382	117,104	99,254	7,810,568	6,611,770	4,476,584	51.93	56.46	45.10
Netherlands	43,442	28,744	194,586	2,300,423	1,524,235	10,961,907	52.95	53.02	56.33
Total, above	204,756	159,589	521,660	10,658,108	8,819,388	24,597,941	52.05	55.26	47.15
Total, other nations	65,094	339,627	64,945	14,194,422	19,487,696	3,115,771	54.32	57.37	47.98
Total, all nations	**269,850**	**499,216**	**508,605**	**14,194,422**	**28,307,084**	**27,713,712**	**52.60**	**56.70**	**47.24**
Compositions for fuel No. 5213160									
Total, all nations	**8,582**	**288**	**40,155**	**514,116**	**26,398**	**2,355,168**	**59.90**	**99.24**	**130.44**
Anthracite No. 5213170									
Korea Rep. (South)	36,355	141,668	—	2,259,463	5,975,353	—	62.14	36.74	—
Total, all nations	**44,274**	**100,553**	**7,863**	**2,905,552**	**5,975,353**	**575,473**	**65.62**	**40.65**	**75.10**

Exports & Imports

	Quantity in short tons 2/82	1/82	2/81	Dollar Value 2/82	1/82	2/81	Avg. Value per short ton 2/82	1/82	2/81
Bituminous coal, low volatile blends to make coke No. 5213110									
Belgium	411,761	585,746	334,236	22,197,611	14,559,592	17,147,445	53.90	24.85	51.30
Brazil	324,664	327,239	173,848	15,734,185	16,807,270	9,824,929	48.46	51.36	56.51
Canada	839	1,260	—	31,969	49,600	—	38.10	39.36	—
France	516,876	264,052	425,839	24,398,457	37,928,828	24,248,829	47.20	37.74	56.94
Germany, F.R. (West)	231,964	114,548	211,893	14,395,766	6,017,629	11,043,514	62.05	52.53	52.12
Italy	1,225,797	858,002	599,686	57,489,463	42,880,186	30,711,452	46.89	49.97	51.21
Japan	3,205,786	2,180,461	910,597	181,985,663	121,747,643	49,350,372	56.76	55.83	54.20
Netherlands	293,543	96,553	377,564	15,734,185	5,673,286	19,141,533	48.46	58.75	50.70
Spain	341,694	217,067	309,874	16,586,969	10,058,073	16,763,275	48.46	46.33	54.10
Sweden	80,243	63,606	—	4,751,960	3,374,153	—	59.21	53.04	—
United Kingdom	253,436	165,388	104,006	14,332,537	10,132,713	4,368,000	56.55	61.26	42.00
Yugoslavia	236,318	38,718	—	13,563,179	2,300,673	—	57.39	59.42	—
Total, above	7,122,921	4,912,639	3,858,517	379,503,233	243,568,301	96,936,864	53.27	49.57	42.00
Total, other nations	893,965	384,955	98,528	49,564,463	36,967,026	3,781,864	55.44	96.02	38.38
Total, all nations	**8,016,886**	**5,297,594**	**2,401,645**	**429,067,696**	**280,535,618**	**100,718,728**	**53.52**	**52.95**	**46.94**

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SPECIAL SECTION
MINING BITS
Starts on Page 9

COAL INDUSTRY NEWS

Coal's National Newspaper

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NEWS ROUNDUP

The expected sale of coal assets by the DuPont Co., having absorbed Conoco Inc., **has been delayed.** Chairman Edward S. Jefferson told the annual meeting that DuPont will wait for better market conditions when it can receive a higher price for parts of Consolidation Coal Co.

But U.S. Steel Corp., which acquired Marathon Oil Co. earlier this year, **is still considering disposing of some coal holdings but will definitely expand export sales.** Chairman David Roderick told the company's annual meeting that U.S. Steel aims to sell 3.5 million short tons of metallurgical and 2 million tons of steam coal abroad this year, compared to last year's total sales of 2 million tons.

* * *

A new International Energy Agency report **calls on governments to provide incentives to spur greater coal use by industry.** The Paris-based group's coal industry advisory board concluded that the use of coal in the Organization for Economic Cooperation and Development 24 member countries' industrial sectors "could be as much as 1 billion metric tons" by the year 2000. That implies a 5 percent growth per annum from the present 343 million metric tons, about a third of the coal consumed by OECD countries. But the study warns that this kind of growth is

(Continued on page 3)

INSIDE

POWDER RIVER COAL, despite lukewarm participation, attracted good bids at the first federal lease sale there in a decade, reports William Ritz **on page 6**.

A LOW-SULFUR COALITION has taken shape in the West, involving producers, utilities and a leading railroad. That and other **Reports from our Correspondents on page 8.**

CLEAN AIR ACT REFORMS may well miss their May 15 deadline for committee action because of national park and sulfur dioxide issues. **Story on page 16.**

EXPORT TRADING COMPANIES could be an idea whose time has come — with coal one of the leading beneficiaries. Steve Marcy takes a closer look in his latest **Washington, FYI on page 17.**

Population Patterns, Production Costs Cited

CBO Study Identifies 2 Market Influences

WASHINGTON — Shifting population patterns and mine production costs rather than clean air rules will have the greatest influence over the coal markets to the year 2000, the Congressional Budget Office has concluded.

Clean Air Act rules adopted in 1978 requiring that the stack gases of utilities burning low-sulfur as well as high-sulfur coal has apparently helped preserve the market for the eastern, high-sulfur fuel, the CBO study found.

Data gathered for CBO by ICF Inc., a Washington-based consulting firm speicalizing in coal-use analysis, show that the total cost of scrubbing a high-sulfur midwestern coal to remove 90 percent of the sulfur dioxide is $8.70 more per ton than scrubbing a low-sulfur coal to remove 70 percent of the sulfur dioxide. The 90-percent-removal and 70-percent-removal requirements are contained in 1977 amendments to the Clean Air Act.

The cost differential would be even more disadvantageous to high-sulfur eastern and midwestern coals if Congress does away with the "percentage reduction requirement." As it is, the present advantages of low-sulfur coal "are not large enough to cause large-scale distortions in the U.S. coal market," CBO concluded.

But neither is the sulfur-reduction requirement great enough in impact to protect the markets of eastern coal producers, especially as their productivity declines as the more cheaply gotten coal deposits are played out.

"Neither the current (Clean Air Act) new source performance standards nor any of the alternatives examined appears to have great potential to stem the growth of western coal production or the penetration of western low-sulfur coal to markets in the East," CBO said.

The 535 percent increase in coal mined and burned in the West South Central U.S. over the next two decades comes from the population growth occuring there. That is where the vast amount of the new coal-fired electrical capacity will be installed.

Low sulfur coal will meet roughly 60 percent of all new coal-fired utility demand by 2000, even if the percentage reduction requirement is maintained in the Clean Air Act. This helps reinforce the principle that the predominant factor governing coal use will be the desire to burn iocal coal, CBO says.

Shifts in the coal market will far more likely to be the result of productivity in mining the coal or fluctations in transportation rates.

Assuming that the sulfur-reduction requirements stay in the Clean Air Act, utilities over the next two decades can expect to spend 20 percent of their overall coal-fired capital investments on pollution control equipment. That will come to about $33.4 billion in 1984 dollars.

Annual pollution-control costs, including the operation of scrubbers, should rise from $5.35 billion in 1980 to $14.1 billion in 2000.

While steep, these costs have not gotten the utility industry into its present financial straits and they will not be the factors perpetuating them, CBO concluded.

"The findings of the CBO analysis indicated that, though controlling emissions is indeed costly, it has not played a major role in impairing the utilities' financial position, and it is not likely to do so in the future," CBO said.

CBO reached this conclusion by comparing the bond ratings of utility systems with heavy pollution-control investment and those with less investment. Those heavily invested in pollution control fare no better or worse in the bond markets than the average of the entire utility system.

CBO said that the expense of control investment has been mitigated by special tax treatments available to the utilties and prevented control costs from becoming "especially detrimental."

The congressional organization said that the present standards for new coal-fired power plants were the ones "best-suited to holding down emissions and safeguarding midwestern coal production, but at a sizable cost to the utility industry."

Better for the industry, CBO said, would be options allowing for a 70 percent sulfur dioxide reduction standard requiring them in any event to reduce no lower than 0.8 pounds of sulfur per million Btus of fuel.

Recession Looms Large as an Industry Influence

By Gene Smith

ST. LOUIS — When the American Mining Congress met here a year ago for its annual coal convention, the talk was directed at the duration of the coal strike. The mood was definitely pessimistic.

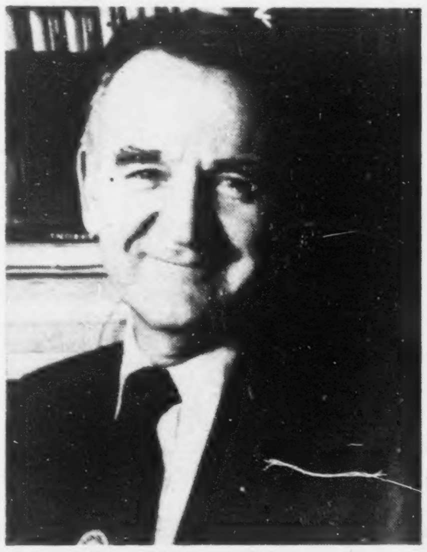
This year, as the delegates assemble for Monday's opening sessions, the underlying theme has to be the recession and its duration.

Strangely enough, the coal industry is one of the few that is not suffering as much as most others in this economic slowdown. The latest available statistics place bituminous and lignite production through April 24 at 272.7 million tons, a gain of 12.6 percent over the like 1981 period. Anthracite production for the same period reached 2.03 million tons, up 10.9 percent over the year-ago level.

AMC Coal Preview

However, these statistics may be illusory. A year ago, the industry was in the depths of an underground miners' strike. Nevertheless, coal is running well ahead of all other segments of the mining industry at this point.

In addition to the recession, there are other issues overhanging this year's AMC coal convention. There appears little chance of action on Clean Air Act amendments this year. The status of port dredging funding remains up in the air, and many of the optimistic plans for coal-handling facilities have been put on temporary hold.



JOHN J. McKETTA
...at opening session

RALPH E. BAILEY
...eyes "Coal's Future Path"

While exports have continued at a relatively high level, close observers are beginning to send out signals warning that the present pace can't be continued long. Rotan-Mosle's Joel Price, a well-known analyst, recently reduced his forecast of 1985 and 1990 industrial coal consumption because of the sluggish market, high interest rates and the present worldwide economic slump. He cut his 1985 estimate by 10.6 million tons and his 1990 forecast by

(Continued on page 23)

FACTS & FIGURES

Production	WEEKLY 4/24/82	4/17/82	4/25/81
Bituminous, recent week	17,404	17,560	8,012
Bituminous, year to date	272,663	242,051	—
Anthracite, recent week	129	130	110
Anthracite, year to date	2,027	1,827	—
Railroad carloadings			
Bituminous, recent week	117,523	118,793	60,972
Bituminous, year to date	1,837,816	1,699,017	—
Anthracite, recent week	123	123	506
Anthracite, year to date	2,920	3,042	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

Production by states, bituminous and lignite	WEEKLY 4/24/82	4/17/82	4/25/81
Eastern			
Alabama	566	571	40
Georgia	—	—	—
Illinois	1,292	1,303	2
Indiana	636	642	182
Kentucky:			
Eastern	2,286	2,306	1,509
Western	874	882	317
Total, Ky.	3,160	3,188	1,826
Maryland	85	86	83
Ohio	815	822	244
Pennsylvania	1,749	1,765	501
Tennessee	199	201	140
Virginia	874	882	466
West Virginia	2,544	2,567	84
Total, Eastern	9,426	9,511	3,344
Western			
Alaska	16	16	12
Arizona	219	221	233
Arkansas	4	4	7
Colorado	397	401	343
Iowa	12	12	14
Kansas	16	16	17
Missouri	109	110	42
Montana	676	682	638
New Mexico	397	401	306
North Dakota	363	366	297
Oklahoma	111	112	60
Texas	656	662	526
Utah	298	301	96
Washington	103	104	111
Wyoming	2,107	2,125	1,742
Total Western	5,484	5,533	4,444
Total, United States	17,404	17,560	8,012

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

Coal Labor	MONTHLY 2/82	1/82	2/81
All employees			
Coal Mining	254.1	255.4	249.9
Bituminous & Lignite	250.7	252.0	246.4
Production employees			
Coal mining	210.0	211.6	206.4
Bituminous & Lignite	207.0	208.5	203.3
Hours, weekly average			
Coal mining	41.9	40.9	41.0
Bituminous & Lignite	41.9	40.9	41.1
Earnings, hourly average			
Coal mining	12.39	12.40	11.25
Bituminous & Lignite	12.43	12.43	11.29
Earnings, weekly average			
Coal mining	519.14	507.16	461.25
Bituminous & Lignite	520.82	508.39	464.02

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 1/82	12/81	1/80
Bituminous and Lignite Consumption			
Electric power utilities	57,156	52,968	51,068
Coal user stocks of coal			
Electric power utilities	152,855	163,356	178,269
Anthracite Consumption			
Electric power utilities	128	148	89
Coal user stocks of coal			
Electric power utilities	5,517	5,537	4,741

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

Coal User Production	1/82	12/81	1/80
Major district users:			
Electric utilities (Mil Kwh.)			
Weekly, 3/30/82	113,818	106,608	103,258

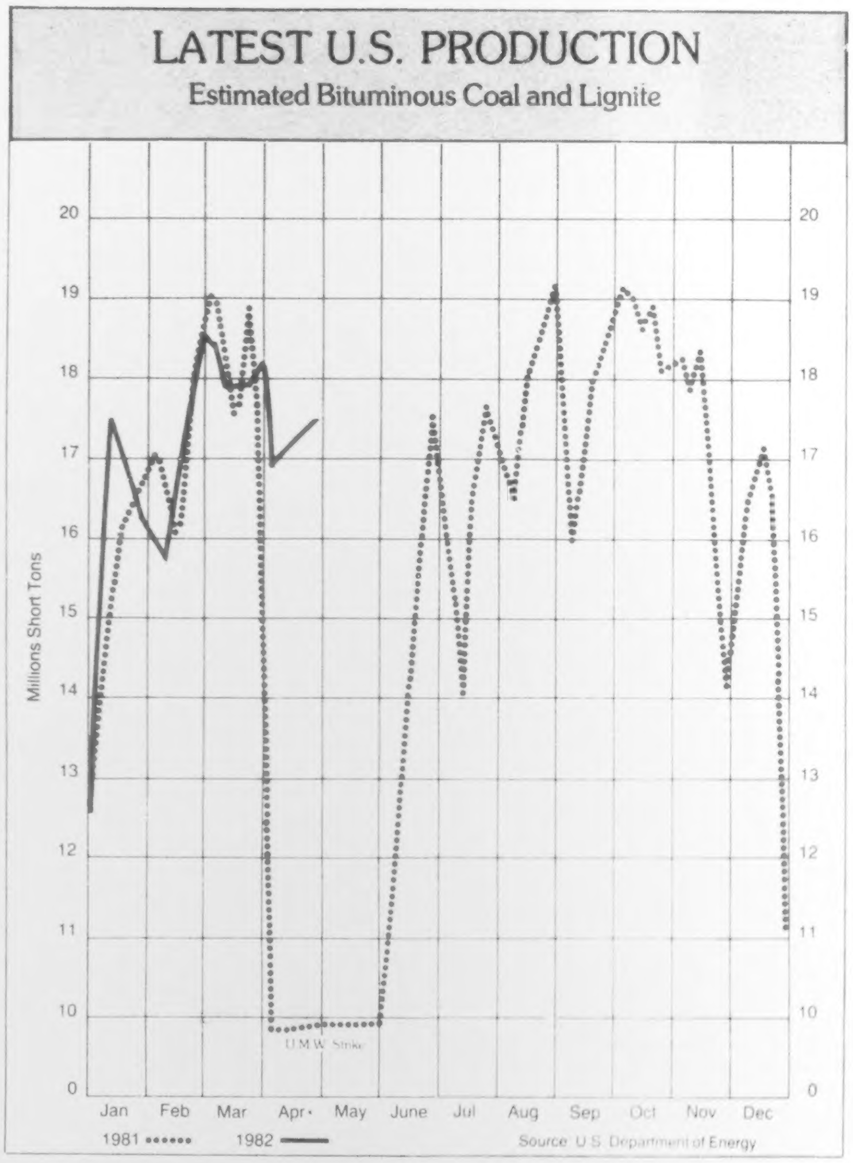
Price Indexes	MONTHLY 3/82	2/82	11/81
Bituminous Coal and Lignite	102.2	102.7	N.A.
Primary Products	102.6	102.7	N.A.
Prepared	101.7	102.3	N.A.
Steam electric utilities	101.8	102.5	N.A.
North Appalachia	102.1	100.4	N.A.
Spot	N.A.	N.A.	N.A.
Contract	101.4	100.7	N.A.
South Appalachia			
Contract	95.9	N.A.	N.A.
Midwest	103.5	105.0	N.A.
Contract	104.0	105.7	N.A.
West	105.0	103.3	N.A.
Contract	105.0	103.3	N.A.
Metallurgical coke producer	100.8	101.2	N.A.
High volatile	101.3	101.2	N.A.
North Appalachia	100.6	100.1	N.A.
Contract	100.7	100.2	N.A.
South Appalachia			
Contract	101.8	101.9	N.A.
West	101.1	100.5	N.A.
Low volatile	100.2	102.0	N.A.
North Appalachia			
Contract	100.2	102.4	N.A.
South Appalachia			
Contract	100.1	N.A.	N.A.
All other industrial	101.3	101.8	N.A.
North Appalachia			
Contract	97.4	96.6	N.A.
Midwest			
Contract	100.5	100.5	N.A.
Unprepared (raw)	105.9	103.9	N.A.
For preparation at other establishments	N.A.	102.1	N.A.
For use without preparation	106.7	106.7	N.A.
Anthracite	153.8	153.1	152.7
Primary products	153.6	153.0	152.7
Prepared anthracite shipped	154.5	153.7	153.3
Stove	N.A.	145.7	144.5
Chestnut	N.A.	145.0	143.8
Pea	N.A.	163.1	163.1
Buckwheat no. 1	N.A.	N.A.	N.A.
Buckwheat no. 2	N.A.	162.9	162.9
Buckwheat no. 4	147.0	N.A.	N.A.
Buckwheat no. 5	112.0	N.A.	N.A.

N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

Domestic



LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite

Source: U.S. Department of Energy

BITUMINOUS COAL AND LIGNITE production for the week ended April 24 was 17.4 million short tons, the Department of Energy's Energy Information Administration estimates. This marked a 0.9 percent decline of 156,000 tons from the previous week. Production for the corresponding week of from strike-afflicted 1981 was 8.012 million short tons. For 1982, year-to-date production totaled 272.663 million short tons, a 12 percent increase for the same period in 1981.

Exports & Imports

Bituminous coal, low volatile blends to make coke No. 5213110	Quantity in short tons 3/82	2/82	3/81	Dollar Value 3/82	2/82	3/81	Avg. Value per short ton 3/82	2/82	3/81
Belgium	814,007	411,761	305,705	41,252,017	22,197,611	18,463,439	50.67	53.90	60.40
Brazil	514,418	324,664	346,907	21,982,830	15,734,185	18,707,430	42.73	48.46	59.93
Canada	505	1,260	212,908	23,074	31,969	11,295,635	45.69	38.10	53.05
France	970,336	516,876	671,019	48,957,945	24,398,457	34,413,790	50.45	47.20	51.29
Germany, F.R. (West)	99,512	231,964	—	5,170,081	14,395,766	—	51.95	62.05	—
Italy	673,455	1,225,797	620,943	35,730,867	57,489,463	20,550,425	53.05	46.89	51.53
Japan	3,824,548	3,205,786	2,002,773	220,168,421	181,985,663	110,254,744	57.56	56.76	55.05
Netherlands	499,993	293,543	383,318	23,084,802	15,734,185	20,971,509	46.17	48.46	54.71
Spain	504,925	341,694	219,151	26,394,751	16,586,989	11,661,636	52.27	48.46	54.71
Sweden	—	80,243	—	—	4,751,960	—	—	59.21	—
United Kingdom	207,215	253,436	—	7,007,642	14,332,537	—	56.39	56.55	—
Yugoslavia	113,581	236,318	—	7,007,642	13,563,179	—	61.69	57.39	—
Total, above	8,222,495	7,122,921	4,859,543	441,457,836	379,503,233	330,692,692	50.02	53.27	54.04
Total, other nations	716,238	893,965	890,082	40,834,653	49,564,463	67,494,454	57.01	55.44	53.57
Total, all nations	8,938,733	8,016,886	6,119,429	482,292,489	429,067,696	330,692,692	53.95	53.52	54.04

	Quantity in short tons 3/82	2/82	3/81	Dollar Value 3/82	2/82	3/81	Avg. Value per short ton 3/82	2/82	3/81
Bituminous coal, others No. 5213120									
Belgium	34,857	176,570	—	1,639,716	8,794,066	—	47.04	49.80	—
Canada	819	3,150	—	32,760	4,568,550	—	40.00	49.80	—
China, Taiwan	57,605	118,382	—	2,566,976	4,568,550	—	44.56	38.39	—
Denmark	224,416	143,808	406,613	11,191,655	7,723,244	17,706,780	49.87	53.70	43.55
Finland	—	—	—	—	—	—	—	—	—
France	293,947	243,523	453,966	13,758,629	11,553,213	18,395,875	46.80	47.44	40.52
Germany, F.R. (West)	129,101	120,376	331,008	6,987,405	6,724,937	16,899,742	54.12	55.86	51.06
Italy	302,907	308,100	326,535	14,376,113	13,525,851	14,177,344	47.46	43.90	43.92
Japan	731,554	319,100	403,500	39,267,912	16,736,490	18,093,625	53.67	52.41	44.84
Netherlands	185,894	60,093	652,037	2,950,9912	7,741,493	9,989,945	41.64	49.10	44.84
Spain	274,907	218,288	351,933	12,958,430	10,828,441	15,324,899	47.13	49.60	43.54
Total, above	2,236,007	1,711,574	3,048,562	110,521,089	83,536,811	135,447,198	49.42	48.80	44.43
Total, other nations	212,947	116,844	425,229	10,521,828	6,359,951	18,541,538	49.10	54.43	43.60
Total, all nations	2,448,954	1,828,418	3,473,791	121,203,917	89,896,762	153,988,736	49.49	49.16	44.33
Lignite No. 5213130									
Total, all nations	3,642	2,325	2,835	342,437	248,349	503,069	94.02	106.06	177.45
Coal coke for use as fuel No. 5213148									
Total, all nations	84,734	101,474	124,512	6,542,520	6,52[illegible]	7,647,872	77.21	64.30	61.52
Petroleum coke, except calcined No. 5213150									
Canada	12,398	10,932	—	672,621	547,117	—	54.25	50.04	—
Japan	135,817	150,382	—	7,111,090	7,810,568	—	52.35	51.93	—
Netherlands	105,282	43,442	—	5,764,673	2,300,423	—	54.75	52.95	—
Total, above	253,497	204,756	657	13,548,384	10,658,108	33,450	53.44	52.05	50.91
Total, other nations	648,236	65,094	11,296	14,117,779	14,194,422	510,811	21.78	57.37	45.22
Total, all nations	501,733	269,850	464,772	6,542,520	14,194,422	22,572,508	13.03	52.60	48.57
Compositions for fuel No. 5213160									
Total, all nations	79,008	8,582	67,153	182,602	514,116	1,612,343	23.11	59.90	24.01
Anthracite No. 5213170									
Korea Rep. (South)	41,888	36,355	46,012	1,406,000	2,259,463	2,069,614	33.56	65.62	64.03
Total, all nations	84,411	44,274	114,067	3,214,323	2,905,552	5,015,652	38.07	65.62	43.97

SPECIAL REP
INTERNATIONA
OUTLOOK
Starts on Page 4

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NEWS ROUNDUP

Sen. Dale Bumpers, D-Ark., is asking Interior Secretary James Watt **to withhold leases in the Powder River federal coal sale** until possible Interior Department improprieties can be cleared up. Bumpers is asking for a Senate investigation of the matter. Allegations center around possible passage of information to coal industry representatives regarding the minimum acceptable bids for the 13 tracts.

* * *

Amerada-Hess Corp. might be interested in coal operations, Chairman Leon Hess told shareholders at the annual meeting, "**when the proper opportunity comes along.**" Amerada-Hess is one of the few major oil companies that currently has no coal operations.

* * *

Great Plains Coal Gasification project **construction and costs appear on schedule and under budget**, reports Arthur Seder, chairman of American Natural Resources Inc., the lead company in the venture. He told the International Committee for Coal Research that the project, with costs estimated between $2.1 billion to $2.6 billion, **will be completed at the lower estimate**, a forecast Department of Energy sources confirm. DOE is backing the project with up to $2.1 billion in loan guarantees.

* * *

Zinder-Neris Inc. of Washington and New York has just released a 1982 first quarter update to its **country-by-**

(Continued on page 2)

INSIDE

PROBLEMS WITH COAL-OIL mixtures have caused the Electric Power Research Institute to look seriously at coal-water approaches. **Story on page 3.**

A BRITISH UNION LEADER appears on a collision course with the country's national electric utility over coal imports and job security. **British Report on page 8.**

THE ERODING INDUSTRIAL BASE in the United States has several leading coal researchers concerned. Steve Marcy explains why in his latest **Washington, FYI on the back page.**

Undercutting in Low Coal
entrance
36 inch clearance

Showcasing Coal at the 1982 World's Fair

YOUNG AND OLD ALIKE are invited to crawl through a re-created turn-of-the-century coal mine in "The Mining Life in West Virginia" exhibit at the 1982 World's Fair in Knoxville, Tenn. The crawl is designed to simulate the experience of working in an underground mine, as shown by mannequin at left. Although West Virginia's is the only World's Fair exhibit devoted solely to coal, others describe its uses and potential, notes Sharon Denny in her report on page 2.

UMW Still Mulls 'Memorial Action' To Protest Rule

By Steve Marcy

WASHINGTON — The United Mine Workers union was still mulling over the possibility late last week of calling a "memorial action" to protest what it contends are minimum fines for safety violations set so low that operators will merely pay them rather than correct hazards.

The UMW has in its contract with the Bituminous Coal Operators Association the right to call up to 10 memorial days each calendar year to honor the workers killed in the nation's mines.

Union sources told *Coal Industry News* that President Sam Church Jr. might use two of these days to bring as many of his 160,000 miners as he can to Washington for a march if the Mine Safety and Health Administration goes ahead with its planned $20 minimum fine. However, one source said he was not looking for a memorial action "anytime in the near future." The source said any decision would probably await publication of the new rule.

In what was billed as an emergency meeting, Church was empowered by the UMW's bargaining council and its International Executive Board to call the action if MSHA's publication of the new fine structure May 21 had not included UMW-sought changes.

"Talks Continuing"

UMW sources said that "talks were continuing" last week, but added that no for-

(Continued on page 2)

Study Sees Coal as Key Pacific Islands Fuel Source

By Gene Smith

NEW YORK — Coal will become a potential fuel source for the Pacific Islands in the 1990s because of expected increases of exports to Pacific Rim nations.

That's the major conclusion of a recent Lawrence Livermore National Laboratory study entitled "Coal as an Option for Power Generation in U.S. Territories of the Pacific." The author, I.Y. Borg, feels it is "clear that world coal traffic of steam coal will at least triple by 1990; Far East imports, principally to Japan, Taiwan and Korea, may increase by a factor of 10 times in the same time frame."

While conceding that the trend to the very large dry-bulk carriers will pose problems for most Pacific Island harbors, Borg concludes:

"Any carrier would have to be of the Panamax size or smaller — comprising 83 percent of the world's dry-bulk carriers — to unload coal dockside at most territory and trust territory facilities. Alternative sea deliveries can be imagined. For example, seagoing barges with self-loading/unloading capabilities could be used as lighters for large vessels moored offshore."

Power-Generation

Borg also sees high-pressure boilers using pulverized bituminous coal as an option for electric power generation in the region. Conversion to such systems average $1,000 to $1,500 per installed kilowatt in this country and would probably be higher for Pacific Island installations.

Borg also sees the possibility of the fluidized bed boiler (FBR) or turnkey power plants available from a number of engineering firms.

Provisions of the Clean Air Act and its revisions would apply to Guam, American Samoa and the Commonwealth of Northern Marianas Islands (CNMI) with respect to power plant construction, according to the study, although CNMI status is somewhat in doubt. However, compliance with the Jones Act which requires transport between U.S. ports be in vessels registered, crewed and owned by the U.S. does apply to Guam and American Samoa, but remains in doubt as to CNMI and does not apply to U.S. Trust Territories of the Pacific Islands.

Editor's Report

Borg contends that only Guam and American Samoa had shown interest in the possible use of coal for power generation in the past, but that with expected increases in international steam coal trade, coupled with the higher price of oil, it has now become propitious to re-examine the potential of coal.

"Only Guam's demand is in the 100 to 200-megawatt range," Borg explains. "All other territories have requirements on the order of one to 25 megawatts. Thus, the coal-fired boilers and turbines used as replacements for existing systems would be small. Depending on the system chosen, the annual requirements for a 25-megawatt unit are in the 105,000 to 122,000-ton range. These requirements correspond to two or three large dry-bulk carrier deliveries a year, assuming storage space is available.

"In places like American Samoa, the large, indigenous fish industry could conceivably utilize waste heat from power production for canning processes. The cogeneration option might be pursued if a plant site convenient to the fisheries on Pago Pago Bay could be found. There are few new plant sites on the shores of the already crowded bay," said Borg.

Returning to the possible use of fluidized bed boilers, the study describes this technology as "promising," particularly because of its ability to burn low-grade coals, coal-oil mixtures, wood, biomass and heavy oils. There are also advantages associated with environmental and pollution controls.

Additionally, limestone from reefs is quarried on the islands and is vital for the FBR.

(Continued on page 8)

IEA Report Sees a Greater Industrial Potential for Coal Than Earlier Reported

By Michael Parrott

PARIS — Industry has so far shown little interest in coal. The availability of cheap oil during the 1960s has resulted in most companies being committed to oil-based systems. Within Western industrialized countries twice as much oil is now being used by industry as by utilities — 9 million barrels per day compared to 4.6 million.

But a report just published by the Paris-based International Energy Agency believes industries could consume much more coal than is generally believed. It argues that western industries could triple their consumption in the next 20 years to a billion metric tons per year from the current 343 million.

European Report

But, argues the IEA, this will only be possible if international organizations and governments step in. "The major problem is the quick payback which industrialists look for in major capital investment as opposed to the longer term benefits to be derived," claims the report, "The Use of Coal in Industry" prepared by the IEA's Coal Industry Advisory Board (CIAB).

As the report shows, coal is economically attractive compared to oil. Steam coal delivered to European industry is, for example, generally cheaper than imported oil, even when higher transport and treatment costs are included. But the difficulty is to get industry to replace its existing stock of oil and gas-fired boilers with coal-fired ones.

Two-Year Payback

At the moment Western industrialists are only prepared to invest in coal-fired boilers if they can get a payback within two years. On this basis the report claims the coal consumption by boilers may only reach 314 million tons of coal equivalent in the year 2000 from 80 million in 1978-79. But if international organizations or governments would step in and extend the payback period to five years, the potential coal use by boilers would nearly double to 609 million tons.

The new report is more optimistic about possible industrial coal use than earlier studies. When basing its estimates by sector, the IEA comes out with a consumption range of between 285 million and 400 million tons of coal equivalent in the year 2000 for steam coal and some 320 million for metallurgical coal, while on the basis of coal use it foresees between 776 million and 1.1 billion tons depending on boiler consumption which could be anything from 310 to 600 million tons.

Under the IEA's 1978 report "Steam Coal: Prospects to 2000". steam coal consumption was only put at 290 millions and that of metallurgical coal at 378 millions. Under the lower WOCOL study steam coal was put at 227 millions and mettalurical coal at 334, under the higher case 393 and 371 millions.

The new study is less optimistic about the prospects for metallurgical coal, but is much more confident about the future of steam coal provided help is provided by governments. On the basis of fuel economics to IEA reckons the possibilities for steam coal are even higher — 500 and 700 millions in 1990 and 2000.

The authors of the report have no illusions about the cost of such a shift to coal. In boilers alone investments without government inducements would amount to $13 billion by 1990. In the case of government incentives to extand

(Continued on page 5)

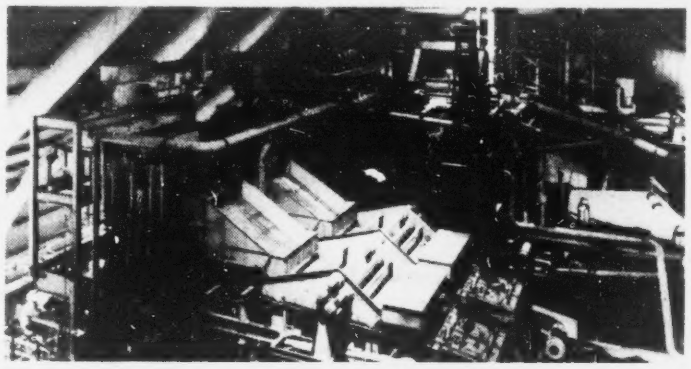
HOW THE IEA PROJECTS COAL DEMAND DISTRIBUTION BY U.S. INDUSTRY

(Million Metric Tons Per Year)

Industry	1974			1985			1990			Total
	Boilers	Process Heaters	Total	Boilers	Process Heaters	Total	Boilers	Process Heaters	Gasifiers	
Food	3.4	—	3.4	6.6	—	6.6	11.3	—	—	11.3
Textiles	1.0	—	1.0	2.1	—	2.1	2.9	—	—	2.9
Paper	9.5	—	9.5	14.6	—	14.1	22.6	—	—	22.6
Chemicals	14.6	—	14.6	23.1	—	23.1	36.1	—	1.0	7.1
Petroleum Refining	0.2	—	0.2	3.1	—	3.1	6.4	—	0.4	6.8
Stone, Clay, and Glass	0.1	11.2	11.3	0.2	19.4	19.6	0.2	21.2	0.2	21.6
Steel	7.1	—	7.1	9.9	0.8	10.7	16.1	2.2	0.5	18.8
Aluminium	1.4	—	1.4	3.1	0.5	3.6	8.6	1.3	0.1	10.0
Other	11.3	0.3	11.6	14.4	1.9	16.3	21.7	2.0	0.1	23.8
TOTAL*	48.6	11.5	60.1	77.0	22.5	100.0	126.0	26.7	2.3	155.0

* Numbers may not add to total due to rounding.

Source: International Energy Agency.



WEST GERMANY'S FIRST new underground mine in 17 years, Neu-Monopol has a designed capacity of 9,000 tons per day and is integrated with an electric power plant. It features a coal-handling system, above, designed and built by KHD Humboldt Wedag AG to process both forge and gas coal.

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Activity in the Ruhr District Picks Up, Obstacles Remain

By John M. Bradley

BONN — The coal mining firm Bergbau AG Westfalen, a member of the Ruhrkohle group, has opened amid great fanfare a new mine at Bergkamen in the northeastern corner of West Germany's Ruhr District.

What especially marked the occasion was that the Bergkamen mine is the first new mine to be opened in the country since 1965, marking the reversal in the fortunes of the coal industry from declining to increasing demand.

The decline has persisted for 24 years, with production dropping from 124 million tons in 1956 to 85.9 million tons in 1979. There was a slight increase in output in 1980 to 86 million tons, to which the Ruhr District contributed about 80 percent. Demand is up again so far this year, and the industry anticipates increasing production to 100 million tons by the end of the century.

A new mine, named Neue Monopol, was developed on the site of an older one which was opened in 1894. With demand declining and the old mine's resources at the 2,500-foot level approaching depletion, the owners decided in 1972 to start phasing it out for a final close-down in 1976. But in 1973, two electric power companies, STEAG and VEW, decided to build a 750-kilowatt coal-fired plant a few miles from the old mine, provided they could be assured a supply of coal.

With a guaranteed customer, Bergbau AG Westfalen reversed its earlier decision and started drawing up plans for the development of a new mine on the site of the old. They began with enlarging and improving the old shaft and sinking it to a depth of 4,500 feet, where there are sufficient deposits to support an output of 9,000 tons a day for the next 40 years.

German Report

Actual work began in 1975. Following the enlarging and deepening, driving of underground galleries got under way, with a total length of nine miles to date. On the surface, a 235-foot hoisting tower, the highest in Germany, was built. Also setting a record for size is the coal preparation building at 700 feet long, 206 feet wide and 103 feet high.

From the preparation building coal will be carried 1.6 miles to the power plant via a conveyor belt with a capacity of 1,000 tons per hour. The power plant incorpo-

(Continued on page 5)

Germany's 1st New Mine Since '65 Signals Change in Coal's Fortune

(Continued from page 4)

rates some of the most advanced technology in power plant design, including filters and scrubbers to minimize air pollution. The smokestack stands at just over 900 feet in height.

With the early decision to close down the old Monopol mine, the Bergkamen community was, understandably, disturbed at the prospect of the elimination of 1,500 jobs. The mood has completely reversed. When in full operation later this year the mine will employ 4,000 miners and technicians above and below ground.

Total investment in the new mine came to about $450 million, far less than would be required to develop a comparable mine at a previously untouched site.

While the Neue rates as a new mine, since its predecessor had already been written off and it is to extract coal from strata the old mine had no prospect of reaching, six additional mines in the northern part of the Ruhr are being substantially deepened and expanded. In several of them the main shaft is being deepened by several hundred feet while other, separate, mines are being connected by underground galleries. Working at depths below 3,200 feet and eventually to around 5,000 will ultimately become characteristic of coal mining in the Ruhr District.

First Mines at Surface

Coal mining there got its start in the Ruhr Valley where deposits were relatively close to the surface making it economically possible to operate mines with an output of less than 100,000 tons a year. This led to a vast proliferation of mines. As late as 1920 there were 202 active mines in the District, compared to 31 today.

Production in the Ruhr reached its peak of 124 million tons in 1956 from 140 mines. From that point, until 1980, both production and the number of mines being worked dropped steadily. At the same time, the depth of mines increased. In 1892, 80 percent of all coal recovered was taken from less than 1,500 feet deep. By 1940 only 27 percent of all coal came from such shallow mines. And by 1966 their contribution came to only 4 percent. Today the average depth of all Ruhr District mines is 2,700 feet.

The structure of the North German coal fields, where deposits pitch downwards at about 6 degrees toward the North Sea, forces miners to go continually deeper. A new mine now being developed in the Hardt Forest in the northernmost part of the Ruhr District will start at the 3,300-foot level and as the mining progresses the coal faces will deepen steadily.

Coal reserves are abundant in the area — an estimated 500 million tons alone in the 15-square-mile Hardt Forest area alone — but getting it out will become ever more expensive and time-consuming. The estimated time required to develop a new mine, penetrating to a depth of between 3,500 and 4,500 feet, is around 10 years.

These are the conditions which will restrict the industry to no more than 100 million tons produced by the year 2000 (including the Ruhr and three less important areas) and why the price of a ton of West German coal runs to $100 and more.

Coal in Industry Potential Outlined

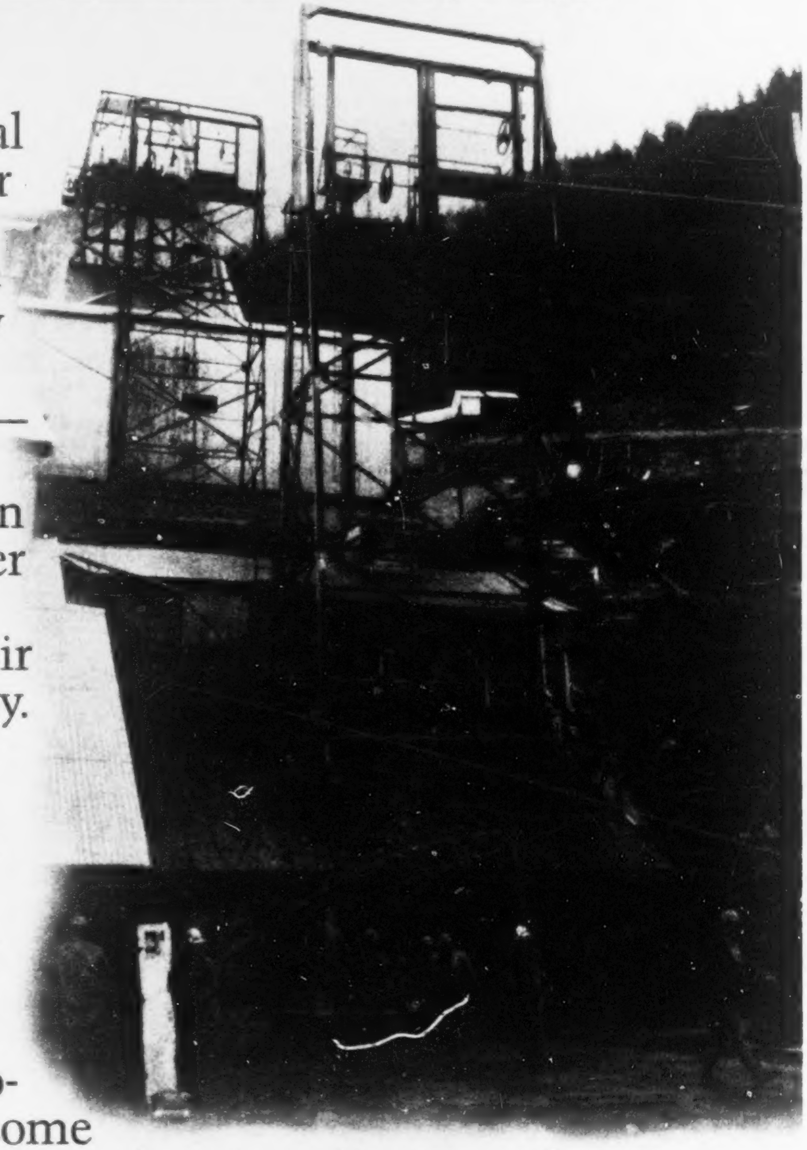
(Continued from page 4)

payback periods, the total investment would reach $100 billion. In the first case industry would make an annual fuel saving of $11 billion, in the second one of $43 billion. It is reckoned that government intervention could make an additional 3.5 million barrels of oil a day economically substitutable by coal in boilers in 1990.

According to the report, the main opportunity for coal taking over from oil is in the energy-intensive industries that required bulk heat or a combination of heat and power. Coal use is particularly favoured in the cement industry, where ash and sulfur become part of the product and at certain paper mills where the configuration of wood-burning boilers is suitable for coal. In addition, very large opportunities for bulk steam-raising exist in the aluminium, textile, chemical, food and engineering industries.

But coal may also be used in industry in the form of electricity or gas. Electricity may be brought in from a utility or may be generated on site. Where natural gas is in limited supply or highly priced, coal can be converted to SNG by a utility or to medium/low calorie gas on-site.

The biggest single outlet for coal in industry is, of course, iron and steel.



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FACTS & FIGURES

Domestic

	WEEKLY 5/8/82	5/1/82	5/9/81
Produc.			
Bituminous, recent week	17,449	17,752	8,909
Bituminous, year to date	**307,864**	**259,543**	—
Anthracite, recent week	129	132	40
Anthracite, year to date	**2,288**	**1,977**	—
Railroad carloadings			
Bituminous, recent week	117,941	119,879	61,093
Bituminous, year to date	**2,075,636**	**1,821,354**	—
Anthracite, recent week	154	334	243
Anthracite, year to date	**3,408**	**3,933**	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 5/8/82	5/1/82	5/9/81
Production by states, bituminous and lignite			
Eastern			
Alabama	568	578	43
Georgia	—	—	—
Illinois	1,295	1,318	2
Indiana	638	649	223
Kentucky:			
Eastern	2,291	2,331	1,314
Western	877	892	341
Total, Ky.	**3,168**	**3,223**	**1,655**
Maryland	86	87	8[illegible]
Ohio	817	831	292
Pennsylvania	1,753	1,784	774
Tennessee	199	203	149
Virginia	877	892	504
West Virginia	2,550	2,595	104
Total, Eastern	**11,951**	**12,160**	**3,826**
Western			
Alaska	16	16	14
Arizona	219	223	293
Arkansas	4	4	5
Colorado	398	405	371
Iowa	12	12	13
Kansas	16	16	20
Missouri	110	111	47
Montana	677	689	737
New Mexico	398	405	321
North Dakota	364	370	336
Oklahoma	112	114	67
Texas	657	669	612
Utah	299	304	127
Washington	104	105	118
Wyoming	2,112	2,149	2,002
Total Western	**5,498**	**5,592**	**5,083**
Total, United States	**17,446**	**17,752**	**8,909**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 3/82	2/82	3/81
Coal Labor			
All employees			
Coal Mining	255.9	254.5	252.9
Bituminous & Lignite	252.6	251.1	249.5
Production employees			
Coal mining	211.3	210.4	208.6
Bituminous & Lignite	208.3	207.4	205.6
Hours, weekly average			
Coal mining	41.2	41.6	36.6
Bituminous & Lignite	41.2	41.5	36.6
Earnings, hourly average			
Coal mining	12.31	12.37	11.40
Bituminous & Lignite	12.34	12.41	11.44
Earnings, weekly average			
Coal mining	507.17	514.59	417.24
Bituminous & Lignite	508.41	515.02	418.70

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 1/82	12/81	1/80
Bituminous and Lignite Consumption			
Electric power utilities	57,156	52,968	51,068
Coal user stocks of coal			
Electric power utilities	152,855	163,356	178,269
Anthracite Consumption			
Electric power utilities	128	148	89
Coal user stocks of coal			
Electric power utilities	5,517	5,537	4,741

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	1/82	12/81	1/80
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Weekly, 3/30/82	113,818	106,608	103,258

Price Indexes	MONTHLY 4/82	3/82	12/81
Bituminous Coal and Lignite	103.3	102.2	100.0
Primary Products	102.8	102.6	100.0
Prepared	102.8	101.7	100.0
Steam electric utilities	103.2	101.8	100.0
North Appalachia	101.4	102.1	100.0
Spot	101.9	N.A.	100.0
Contract	101.3	101.4	100.0
South Appalachia			
Contract	97.0	95.9	100.0
Midwest	108.4	103.5	100.0
Contract	109.6	104.0	100.0
West	104.3	105.0	100.0
Contract	104.3	105.0	100.0
Metallurgical coke producer	101.3	100.8	100.0
High volatile	101.6	101.3	100.0
North Appalachia	100.5	100.6	100.0
Contract	100.6	100.7	100.0
South Appalachia			
Contract	102.4	101.8	100.0
West	99.4	101.1	100.0
Low volatile	101.0	100.2	100.0
North Appalachia			
Contract	100.6	100.2	100.0
South Appalachia			
Contract	101.2	100.1	100.0
All other industrial	100.6	101.3	100.0
North Appalachia			
Contract	95.2	97.4	100.0
Midwest			
Contract	102.0	100.5	100.0
Unprepared (raw)	103.0	105.9	100.0
For preparation at other establishments	N.A.	N.A.	N.A.
For use without preparation	107.7	106.7	100.0
Anthracite	154.6	153.8	153.1
Primary products	154.2	153.6	153.0
Prepared anthracite shipped	155.3	154.5	153.7
Stove	151.3	N.A.	145.6
Chestnut	150.9	N.A.	145.1
Pea	163.1	N.A.	163.1
Buckwheat no. 1	149.0	N.A.	149.0
Buckwheat no. 2	162.9	N.A.	162.9
Buckwheat no. 4	147.0	147.0	N.A.
Buckwheat no. 5	112.0	112.0	N.A.

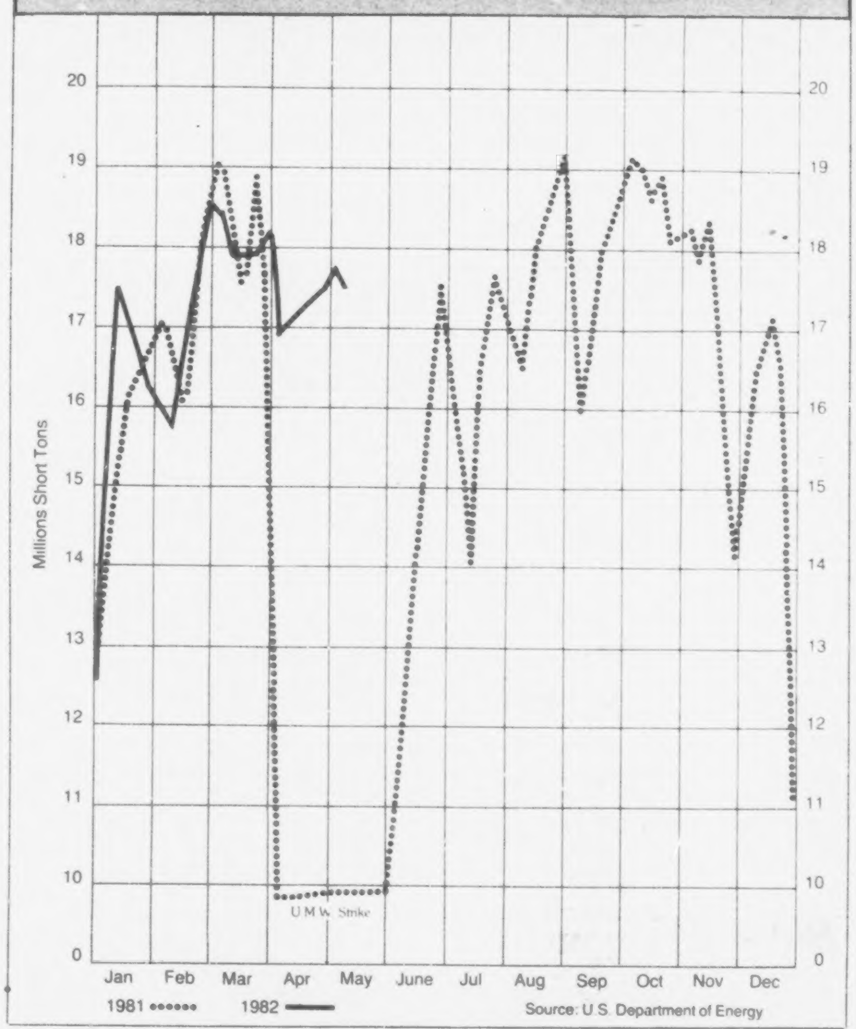
N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source: U.S. Department of Energy

BITUMINOUS AND LIGNITE production for the week ended May 8 reached 17.4 million short tons, the Department of Energy's Energy Information Administratin estimated. This was a 303,000-ton decrease, or 1.7 percent, from the preceding week. Production in the corresponding week of 1981 was 8.9 million short tons. From Jan. 1 though May 8, production totaled 307.8 million tons, an increase of 18.6 percent from the strike-torn corresponding period of 1981.

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
Bituminous coal, low volatile blends to make coke No. 5213110	3/82	2/82	3/81	3/82	2/82	3/81	3/82	2/82	3/81
Belgium	814,007	411,761	305,705	41,252,017	22,197,611	18,463,439	50.67	53.90	60.40
Brazil	514,418	324,664	346,907	21,982,830	15,734,185	18,707,430	42.73	48.46	59.93
Canada	505	1,260	212,909	23,074	31,969	11,295,635	45.69	38.10	53.05
France	970,336	516,876	671,019	48,957,945	24,398,457	34,413,790	50.45	47.20	51.29
Germany, F.R. (West)	99,512	231,964	—	5,170,061	14,395,766	—	51.95	62.05	—
Italy	673,455	1,225,797	620,943	35,730,867	57,489,463	20,550,425	53.05	46.89	51.53
Japan	3,824,548	3,205,786	2,002,773	220,168,421	181,985,663	110,254,744	57.56	56.76	55.05
Netherlands	499,993	293,543	383,318	23,084,802	15,734,185	20,971,509	46.17	48.46	54.71
Spain	504,925	341,694	219,151	26,394,751	16,586,969	11,661,636	52.27	48.46	54.71
Sweden	—	80,243	—	—	4,751,960	—	—	59.21	—
United Kingdom	207,215	253,436	—	7,007,642	14,332,537	—	56.39	56.55	—
Yugoslavia	113,581	236,318	—	7,007,642	13,563,179	—	61.69	57.39	—
Total, above	8,222,495	7,122,921	4,859,543	441,457,836	379,503,233	330,692,692	50.02	53.27	54.04
Total, other nations	716,238	893,965	890,082	40,834,653	49,564,463	67,494,454	57.01	55.44	53.57
Total, all nations	**8,938,733**	**8,016,866**	**6,119,429**	**482,292,489**	**429,067,696**	**330,692,692**	**53.95**	**53.52**	**54.04**

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	3/82	2/82	3/81	3/82	2/82	3/81	3/82	2/82	3/81
Bituminous coal, others No. 5213120									
Belgium	34,857	176,570	—	1,639,716	8,794,066	—	47.04	49.80	—
Canada	819	3,150	—	32,760	4,568,550	—	40.00	49.80	—
China, Taiwan	57,605	118,382	—	2,566,976	4,568,550	—	44.56	38.39	—
Denmark	224,416	143,808	406,613	11,191,655	7,723,244	17,706,780	49.87	53.70	43.55
Finland	—	—	—	—	—	—	—	—	—
France	293,947	243,523	453,966	13,758,629	11,553,213,	18,395,875	46.80	47.44	40.52
Germany, F.R. (West)	129,101	120,376	331,008	6,987,405	6,724,937	16,899,742	54.12	55.86	51.06
Italy	302,907	308,100	326,535	14,376,113	13,525,851	14,177,344	47.46	43.90	43.92
Japan	731,554	319,100	403,500	39,267,912	16,736,490	18,093,625	53.67	52.41	44.84
Netherlands	185,894	60,093	652,037	7,741	2,950,991	29,989,945	41.64	49.10	44.84
Spain	274,907	218,288	351,933	12,958,430	10,828,441	15,324,899	47.13	49.60	43.54
Total, above	2,236,007	1,711,574	3,048,562	110,521,089	83,536,811	135,447,196	49.42	48.80	44.43
Total, other nations	212,947	116,844	425,229	10,521,828	6,359,951	18,541,538	49.10	54.43	43.60
Total, all nations	**2,448,954**	**1,828,418**	**3,473,791**	**121,203,917**	**89,896,752**	**153,988,736**	**49.49**	**49.16**	**44.33**
Lignite No. 5213130									
Total, all nations	**3,642**	**2,325**	**2,835**	**342,437**	**248,349**	**503,069**	**94.02**	**106.86**	**177.45**
Coal coke for use as fuel No. 5213148									
Total, all nations	**84,734**	**101,474**	**124,512**	**6,542,520**	**6,525,777**	**7,647,872**	**77.21**	**64.30**	**61.52**
Petroleum coke, except calcined No. 5213150									
Canada	12,398	10,932	—	672,621	547,117	—	54.25	50.04	—
Japan	135,817	150,382	—	7,111,090	7,810,563	—	52.35	51.93	—
Netherlands	105,282	43,442	—	5,764,673	2,300,423	—	54.75	52.95	—
Total, above	253,497	204,756	657	13,548,384	10,658,108	33,450	53.44	52.05	50.91
Total, other nations	648,236	65,094	11,296	14,117,779	14,194,422	510,811	21.78	57.37	45.22
Total, all nations	**501,733**	**269,850**	**464,772**	**6,542,520**	**14,194,422**	**22,572,508**	**13.03**	**52.60**	**48.57**
Compositions for fuel No. 5213160									
Total, all nations	**79,008**	**8,582**	**67,153**	**182,602**	**514,116**	**1,612,343**	**23.11**	**59.90**	**24.01**
Anthracite No. 5213170									
Korea Rep. (South)	41,886	36,355	46,012	1,406,000	2,259,463	2,069,614	33.56	65.62	64.03
Total, all nations	84,411	44,274	114,067	3,214,323	2,905,552	5,015,652	38.07	65.62	43.97

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Wallop May Support Slurry Under Right Conditions

WASHINGTON — A key Senate Energy Commmittee member is on the verge of turning from an opponent into a supporter of coal slurry pipelines.

The office of Sen. Malcolm Wallop, R-Wyo., confirmed he would support a bill enabling pipeline projects to apply to state or federal court for eminent domain authority to seize rights of way. But that support is conditioned on the extension to all pipelines of language subjecting them to state water law, not just the ones applying for eminent domain.

Wallop introduced a bill containing the expanded water-protection language late last month. Sen. J. Bennett Johnston, D.-La., the principal Senate ramrod of coal slurry legislation, said it sets a precedent for giving states far more control over their water than they now enjoy.

Effect of the Wallop provision is to prevent pipeline companies not needing eminent domain from arguing in federal court that a state-ordered shut-off of water interferes in interstate commerce.

Without the Wallop provision, the 1,500-mile Energy Transportation Systems, Inc. pipeline could ask a federal court to enjoin state water authorities from diverting water to alleviate a drought or other emergency. The ETSI pipeline is about to begin construction near Gillette, Wyo., but will draw its water via aqueduct from South Dakota's Oahe Reservoir, fed by the Missouri River.

The chance to further solidify the right of states to control their water finally attracted Wallop to the slurry bill, seeing in it the chance to convert a legal threat to western water rights into a more powerful defense.

The conversion of Wallop from opponent to supporter does not cinch Senate Energy Committee approval, however. During hearings he called to investigate the impact of slurry pipelines on western water and build a case against them, committee chairman James McClure, R-Idaho, remained skeptical. He doubts that it provides adequate protection to other states sharing a water supply from which a pipeline jointly draws, foreboding a court battle and the reentry of the federal government if a dispute erupts.

McClure called the hearing to sink the eminent domain legislation by getting at the ETSI project. Witnesses included the

(Continued on page 2)

INSIDE

WESTMORELAND Coal sold its Hampton Roads shipping agency but will buy part of a planned Newport News pier. That and other **Reports from our Correspondents on page 2.**

COMPUTERS are the major factor in improving underground mining technology, reports Gene Smith in a **Focus Feature on page 6.**

FORCED CUTS in sulfur dioxide emissions by 1990 won't necessarily hurt projected coal useage overall, a new study suggests. **Story on back page.**

NEWS ROUNDUP

It was one thing to ask **marine vessel owners to pay dredging and port maintenance costs**, but now the Reagan administration is asking them to supply **36 percent of the Coast Guard's operating budget through users' fees.** Congress is feeling the wrath of boat owners from yachts to tankers over the plan to raise $439 million, with some large bulk carriers and oil tankers paying up to $14,000. The White House **hasn't found anyone willing to introduce the legislation** — so far.

* * *

Westmoreland Coal, which has made some major news in the Hampton Roads-Newport News area (story on page 2), has signed **a long-term contract and stock purchase agreement with Veba AG**, a German holding company. In the stock purchase, Veba will pay Westmoreland between $27 and $30 per share for 15 percent of the Philadelphia independent. Veba has agreed to acquire no more than 5 percent more on the open market and Westmoreland has buy-back rights under certain conditions. The sales agreement calls for Westmoreland to supply 220,000 tons of steam coal in 1983 and 500,000 tons per year from 1984 through 1994, with periodic price negotiation and escalation for cost increases.

* * *

The first successful coal-water mixture test in a pressurized fluidized bed combustor took place at the Coal Utilization Research Laboratory operated in Leatherhead, England, by that country's National Coal Board. Nearly a ton of a commercially-purchased mixture of 65 percent coal and 35 percent water was burned in a 20-hour test sponsored by the U.S. Department of Energy.

(Continued on page 3)

REDUCING THE number of times continuous miners must be repositioned in thin coal seams is the key to increasing output in veins 37 inches and thinner, Keystone Coal Co. has found during experiments with new miner-coal haulage combinations.

Test Mining and Hauling Systems Boost Efficiency

By Steve Marcy

WASHINGTON — Recovering some underground mine productivity that has been lost to increased safety concerns will depend more heavily on moving higher volumes of coal away from the mine face.

The ultimate answer may lie in integrating cutting machines and continuous haulage conveyors or other machines into complete mining systems, Kenneth Levitz, general superintendent of Keystone Coal Co., told the American Mining Congress coal convention. Developing and mining those systems is at least five years away, he says.

Even mines with coal seams as thin as 36 inches can benefit from replacing shuttle car haulage systems with novel applications of continuous haulage techniques.

Keystone, headquartered in Indiana, Penn., has experimented with ripper-type continuous miners linked to chain type bridge conveyor systems to improve productivity that has fallen to 0.5 to 1.2 tons per work minute.

The biggest slowdowns with shuttle cars have occurred when adhering to Mine Safety and Health Administration rules limiting dust near the mine face. Regulations have required two passes of the mining machines along the face and frequent place changes of the mining equipment and shuttle cars. With hauling capacity already limited by confined space, which restricts shuttle car cargo volume, loading rates have slipped to between three and seven tons per minute.

Focus —
UNDERGROUND
See Page 6

Levitz told the coal convention he has seen a 30 percent drop in shuttle-car efficiency since the advent of MSHA regulations 12 years ago. Time consumed in keeping MSHA-mandated lighting and ground monitoring systems have contributed decreased productivity.

At the 37-inch median mining height of the test site, the mine had slightly inferior roof conditions. The entries were developed with shuttle rather than continuous haulage in mind and cross cuts were patterned to avoid clay veins and other areas of tender roof. Yet peak shift production proved 60 percent greater than the average for shuttle car units.

(Continued on page 8)

UNDERGROUND **A SPECIAL REPORT**

Productivity Dilemma

Will Recent Surge in Deep Mine Efficiency Bring Job Security or More Layoffs to Coal Fields?

By Steve Marcy

WASHINGTON — "Productivity" has become an embarassment and a potential fighting word in the coal industry these days.

Not because it has become as enfeebled in the coal field as it has in the rest of U.S. industry, but because miners fear the word during a time of slackening electricity and coal demand. They see productivity as management cost-cutting at the expesne of their jobs and an increased work load for their bretheren who remain.

Coal company officials are hesitant to talk about productivity gains made in the past few years and their plans to increase them in the future, fearing they will be unable to make a case that distinguishes a better use of labor from a curtailment of it.

Merely talking about it, some officials fear, will unavoidably fuel the bitterness from what some now figure to be 80,000 unemployed miners.

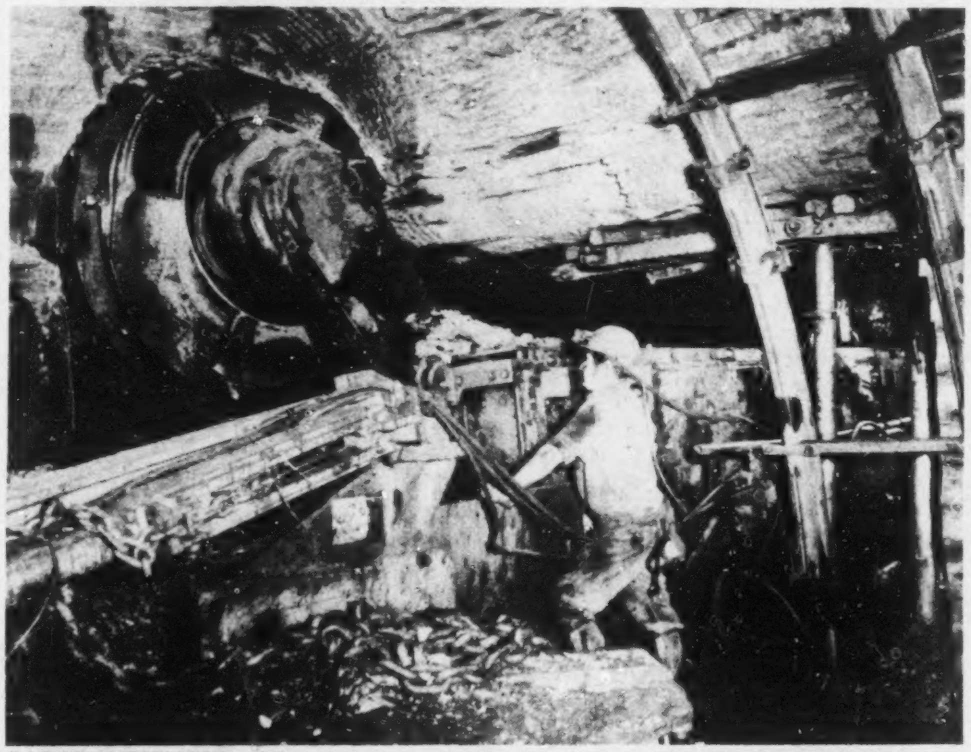
One official estimates that fewer than 50 percent of the miners in United Mine Workers District 29 are employed; layoffs have continued steadily in the past few months.

And yet better labor-managment relations are primarily responsible for a reversal beginning in 1979 of the productivity declines that began with the passage of Mine Safety and Health Act in 1969.

Productivity Gains

Productivity as measured by average tons per day reached its zenith in Illionis that year when it touched 22.9 tons, according to Taylor Pensoneau, vice president of the Illinois Coal Association.

It fell steadily each year throughout the 1970s until touching bottom in 1978 at 10.7 tons per man per day. But the next year it rose to 11.2 tons and up again to 11.4 tons in 1980, the last year for which the association has figures.



LARGE AUTOMATED mining systems may be the next big opportunity for productivity increases. Advancements were made when wildcat strikes subsided, helping to reverse a decade-long decline in mining efficiency.

Industry leaders say it took a few years after enactment of the 1969 law to find new ways of roof bolting, suppressing respirable dust and a myriad of other innovations to move machines and get the coal to the surface as quickly as they once did. They still have a ways to go.

Then came the oil embargo and first round of price hikes in late 1973 that had the coal industry salivating over the prospect of a coal renaissance.

An observer of the UMW who asked not to be identified by name, says that industry may have sorted out the safety act well enough by the early 1970s to make productivity increases. But the increased and broadened pension plan of the 1974 wage contract looked to many companies as if it would entice many older miners to retire once the plan took effect. So they began recruiting and hiring a new generation of miners.

Profit Advances

The oil price increases of 1973-74 greatly increased the profits of the coal companies by allowing them to raise their prices. This price increase not only allowed the recruitment of a new generation of replacement workers, but also seemed to require an expanded labor force to work new mines that would be needed to satisfy a coming coal boom.

The retirement flood never crested, however, leaving both over-staffed mines and a stretched supervisory force that cut into productivity. The time absorbed in training and the overstaffing at the mines could still be absorbed by the profits brought by higher prices.

Age of the new miners generally averaged 20 to 22 years, the observers said, and brought to their jobs a youthful militancy that led to an increase in wildcat strikes during the mid 1970s.

By 1980, the average age in the coal fields had risen to 28. The responsibilities of starting families and the know-how gained from five or six years on the job brought a maturity to the new miners' work that greatly reduced the number of wildcat strikes, the observer said.

Many of these workers by 1980 had enough experience to move into foreman and other supervisory positions to relieve the strains that this managment layer had been under since the mid-1970s. This new generation of supervisory personnel were also much closer in age to the miners under them, bridging a generation gap that helped ease antagonisms and reduce wildcat strikes, the observer said.

Industry sources agree that the resulting over expansion led to the opening of more new mines than there were skilled miners, foremen and machinery to work. An official of an Appalachian company conceded that the mid-1970s expansion strained his company's team of mine superintendents and equipment maintenance schedules in a scramble for coal of marginal value in difficult seams.

Cutting Back

"We have to cut our mines back down to manageable size," the official said of a process that is almost complete for his company. His mines are at full employment with a stable labor force and a management structure that can cope with production goals. Unlike others in his region, he expects no more layoffs by his company.

The growing threat from western surface mining is partially responsible for those improved labor-managment relations. Pensoneau says the threat of lost markets to cheaply produced western

(Continued on page 7)

Coal Technology Advances Edge Toward Fully Automated Mining

By Gene Smith

NEW YORK — When it comes to underground mining technology, there's little difference from other businesses: Computers are coming on strong.

Other prospects, such as bringing coal out by air pressure in a pipe, are in varying stages of development. But research into computer applications suggests that today's youth playing "Pac-Man" may one day run underground mining equipment from a computer panel in a mine office miles away from the actual mine face.

Dr. Frederick C. Trutt, associate professor in Penn State's College of Engineering, led a team that put together an inexpensive method of designing systems to better protect mines' electrical power networks. "We took computer routines which we had previously developed for more expensive computers and reworked them for the Apple II computer, making them more accessible to smaller operators," Trutt explained.

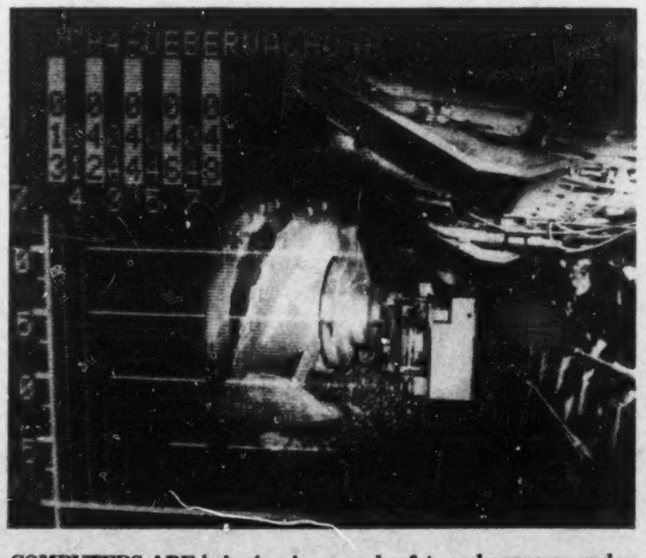
As the system gathers information vital to any mine's safe and economic operation, Trutt continued, "it insures that faults will be detected and isolated from the rest of the system, so that miners in the affected area stay safe while the rest of the mine continues to operate."

Special Programs

Virginia Polytechnic Institute has also developed software programs aimed specifically at the coal industry. Michael Kaas, director of the Office of Mineral Information Systems at the Bureau of Mines, described them as "a whole family of programs designed to aid the engineer from the basic evaluation of coal deposits through the designing of mining sections to a computer simulation of the expected output from that coal mine design."

VPI's Dr. Richard J. Lucas, head of the Department of Mining and Minerals Engineering, said the school's aim is to develop computer programs that will allow companies "to completely design a coal reserve area on paper, all the way through the mining to its depletion." He indicated that VPI is about halfway toward develop-

(Continued on page 8)



COMPUTERS ARE bringing increased safety and economy underground. Here, a computer screen image is superimposed on an underground mining scene.

Productivity Becoming a Fighting Word

(Continued from page 6)

coal has forced more cooperation between labor and managment. The number of wildcat strikes declined drastically after signing of the 1978 UMW-Bituminous Coal Operators Association wage agreement and nearly disappeared altogther since the 1981 pact.

The company officials and their trade associations say it is the end of the wildcat strikes that is the biggest booster of productivity. Everyone now realizes that coal in general and eastern deep coal in particular will not enjoy unassailed dominance as the energy source of the immediate future. There is competition from conservation and western coal producers that eastern producers and miners must face together in order to prevent their product from being priced out of the energy market.

Prospects of growing competition will require greater attention to the details of labor-management relations and good mining practices.

Management Training

Consolidation Coal Company, for instance, has had in effect for the past couple of years a first-line supervisor training program to make them more able to work with their crews, yielding safety and productivity increases.

The supervisory program includes eight days of fundamentals covering leadership, methods for building teamwork, resolving complaints and mine economics. Three days of classwork training and meetings with Consol officials are conducted at the firm's Pittsburgh headquarters. Five days of instruction are then given in the neophyte supervisor's work region.

Consol also has installed a maintenance engineering program that relies on detailed reports from foremen about equipment breakdowns. The information is analyzed by computer to detect any patterns of failure so that preventive maintenance steps can be taken and to determine which types of failure cause the greatest production losses.

Company officials discovered, somewhat to their surprise, that major breakdowns were not slowing production as much as minor failures. Robert H. Minor, a Consol vice president, said the biggest delays were coming from clogged water sprays, ruptured hydraluic hoses and failed electric cables.

Better management of machinery also has helped. Previously out of action for up to 20 working days when being moved, longwall machines can be moved to new locations within 10 days when careful attention is paid to planning and roof support measures.

Not all productivity gains have come about from an end to wildcat strikes and the introduction and better maintenance of new technology. An overextended coal industry reeling from slow growth in its principal market — the electric power industry — certainly cut its losses by closing its less efficient operations, laying off miners in the process.

But one observer noted that the union is beginning to realize that the coal that sells best in a glutted market is coal that can keep its price in line through lower production costs. It therefore has a stake in productivity.

PRODUCTIVITY IN ILLINOIS COAL MINING

(Average tons per man per day for underground and surface mines)

Year	Underground	Surface
1969	22.9	34.1
1970	19.8	32.4
1971	17.3	32.7
1972	16.3	35.3
1973	17.2	28.6
1974	16.0	27.6
1975	14.2	24.6
1976	13.4	19.4
1977	12.0	20.9
1978	10.7	20.4
1979	11.2	21.3
1980	11.4	22.1

Sources: Illinois Department of Mines and Minerals and Illinois Coal Association.

Shirvinsky Denies Pa. Deep Mines Near Bankruptcy

HARRISBURG — Rumors that several Pennsylvania deep mines were on the edge of bankruptcy were denied by John C. Shirvinsky, president of the Keystone Bituminous Coal Association.

His view was confirmed by staff on the Governor's Energy Council and in the Department of Environmental Resources, as well as by a research assistant to Rep. James L. Wright Jr., chairman of the House Mines and Energy Management Committee.

Shirvinsky added that some companies are "on the ropes" due to the downturn in the steel industry. Captive mines have been sold off, the Jones and Laughlin sale to Massey being the most recent.

There also have been a number of layoffs and temporary closings, Shirvinsky said. Laurel Mine, operated by Consol, recently announced a temporary layoff. However, he added "it would be unlikely for bankruptcies to come on that fast."

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FACTS & FIGURES

	WEEKLY 5/29/82	 5/22/82	 5/30/81
Production			
Bituminous, recent week	16,941	17,753	8,981
Bituminous, year to date	**360,139**	**286,790**	—
Anthracite, recent week	126	132	45
Anthracite, year to date	**2,676**	**2,130**	—
Railroad carloadings			
Bituminous, recent week	114,535	119,892	62,083
Bituminous, year to date	**2,428,881**	**2,010,613**	—
Anthracite, recent week	216	135	256
Anthracite, year to date	**4,221**	**4,786**	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 5/29/82	 5/22/82	 5/30/81
Production by states, bituminous and lignite			
Eastern			
Alabama	551	578	44
Georgia	—	—	—
Illinois	1,258	1,318	2
Indiana	619	649	224
Kentucky:			
Eastern	2,225	2,331	1,326
Western	851	892	343
Total, Ky.	**3,076**	**3,223**	**1,669**
Maryland	83	87	81
Ohio	793	831	293
Pennsylvania	1,703	1,784	780
Tennessee	193	203	150
Virginia	851	892	509
West Virginia	2,476	2,595	105
Total, Eastern	**11,603**	**12,160**	**3,857**
Western			
Alaska	15	16	14
Arizona	213	223	295
Arkansas	4	4	5
Colorado	387	405	375
Iowa	12	12	14
Kansas	15	16	19
Missouri	106	112	47
Montana	658	689	743
New Mexico	387	405	324
North Dakota	353	370	338
Oklahoma	108	114	68
Texas	638	669	617
Utah	290	304	128
Washington	101	105	119
Wyoming	2,051	2,149	2,018
Total Western	**5,338**	**5,593**	**5,124**
Total, United States	**16,941**	**17,753**	**8,981**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 3/82	 2/82	 3/81
Coal Labor			
All employees			
Coal Mining	255.9	254.5	252.9
Bituminous & Lignite	252.6	251.1	249.5
Production employees			
Coal mining	211.3	210.4	208.6
Bituminous & Lignite	206.3	207.4	205.6
Hours, weekly average			
Coal mining	41.2	41.6	36.6
Bituminous & Lignite	41.2	41.5	36.6
Earnings, hourly average			
Coal mining	12.31	12.37	11.40
Bituminous & Lignite	12.34	12.41	11.44
Earnings, weekly average			
Coal mining	507.17	514.59	417.24
Bituminous & Lignite	508.41	515.02	418.70

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 3/82	 2/82	 3/81
Bituminous and Lignite Consumption			
Electric power utilities	47,311	48,795	41,378
Coal user stocks of coal			
Electric power utilities	154,724	148,118	174,554
Anthracite Consumption			
Electric power utilities	73	83	75
Coal user stocks of coal			
Electric power utilities	5,488	5,401	4,951

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	1/82	12/81	1/80
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Weekly. 3/30/82	113,818	106,608	103,258

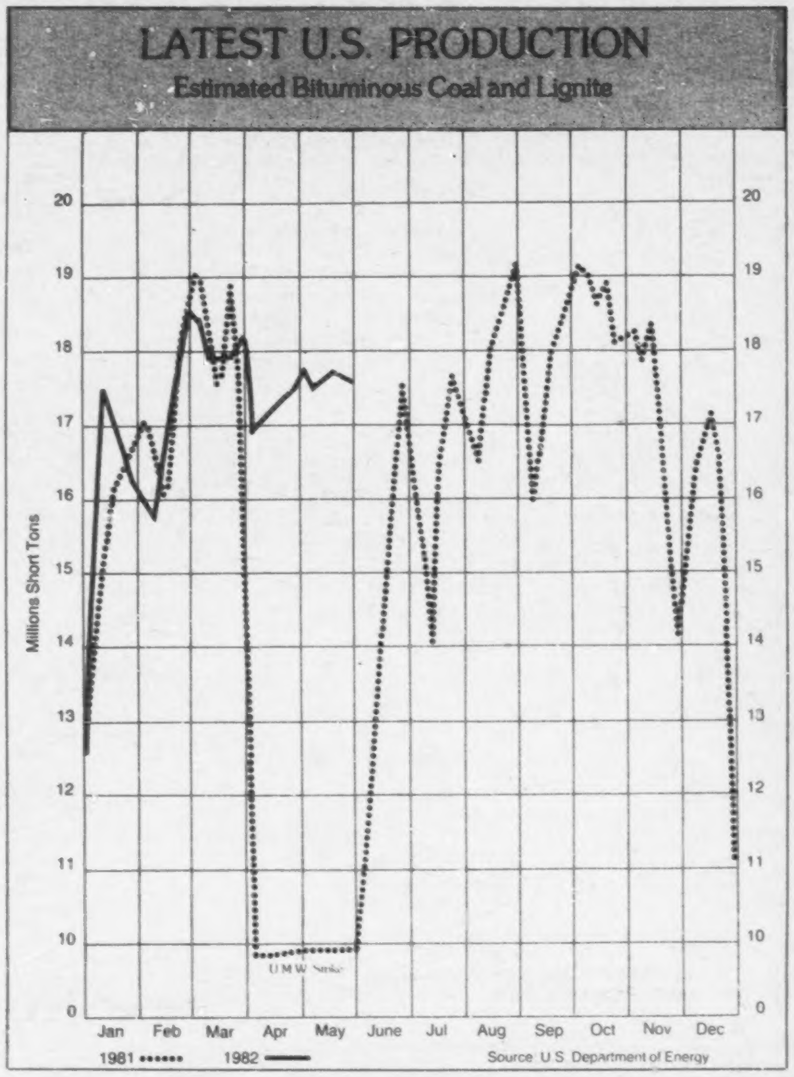
Price Indexes	MONTHLY **4/82**	 **3/82**	 **12/81**
Bituminous Coal and Lignite	103.3	102.2	100.0
Primary Products	102.8	102.6	100.0
Prepared	102.8	101.7	100.0
Steam electric utilities	103.2	101.8	100.0
North Appalachia	101.4	102.1	100.0
Spot	101.9	N.A.	100.0
Contract	101.3	101.4	100.0
South Appalachia			
Contract	97.0	95.9	100.0
Midwest	108.4	103.5	100.0
Contract	109.5	104.0	100.0
West	104.3	105.0	100.0
Contract	104.3	105.0	100.0
Metallurgical/coke producer	101.3	100.8	100.0
High volatile	101.6	101.3	100.0
North Appalachia	100.5	100.6	100.0
Contract	100.6	100.7	100.0
South Appalachia			
Contract	102.4	101.8	100.0
West	99.4	101.1	100.0
Low volatile	101.0	100.2	100.0
North Appalachia			
Contract	100.6	100.2	100.0
South Appalachia			
Contract	101.2	100.1	100.0
All other industrial	100.6	101.3	100.0
North Appalachia			
Contract	95.2	97.4	100.0
Midwest			
Contract	102.0	100.5	100.0
Unprepared (raw)	103.0	105.9	100.0
For preparation at other establishments	N.A.	N.A.	N.A.
For use without preparation	107.7	106.7	100.0
Anthracite	154.6	153.8	153.1
Primary products	154.2	153.6	153.0
Prepared anthracite shipped	155.3	154.5	153.7
Stove	151.3	N.A.	145.6
Chestnut	150.9	N.A.	145.1
Pea	163.1	N.A.	163.1
Buckwheat no. 1	149.0	N.A.	149.0
Buckwheat no. 2	162.9	N.A.	162.9
Buckwheat no. 4	147.0	147.0	N.A
Buckwheat no. 5	112.0	112.0	N.A.

N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

Domestic



LATEST U.S. PRODUCTION
Estimated Bituminous Coal and Lignite

Source U.S. Department of Energy

PRODUCTION OF BITUMINOUS coal and lignite reached 16.941 million short tons for the week ended May 29, 812,000 tons fewer than the preceding week, according to the Energy Information Administration. The figure was 812,000 tons fewer — 4.6 percent — than the preceding week but nearly double the 8.981 million tons of the corresponding week a year earlier when the United Mine Workers strike was in full swing. Production from Jan. 1 through May 29 totaled 360.139 million short tons, 25.6 percent more than the corresponding period in 1981.

Exports & Imports

	Quantity in short tons 4/82	 3/82	 4/81	Dollar Value 4/82	 3/82	 4/81	Avg. Value per short ton 4/82	 3/82	 4/81
Bituminous coal, low volatile blends to make coke No. 5213110									
Belgium	207,933	814,007	—	12,651,348	41,252,017	—	60.84	50.67	—
Brazil	206,665	514,418	—	10,754,496	21,962,830	—	52.08	42.73	—
Canada	498,453	505	125,418	29,540,052	23,074	6,014,258	59.26	45.69	47.95
France	1,022,725	970,336	—	46,369,330	48,957,945	—	43.35	50.45	—
Germany, F.R. (West)	95,401	99,512	81,786	6,934,507	5,170,081	4,629,091	72.68	51.96	56.60
Italy	936,499	673,455	219,543	45,264,782	35,730,867	13,724,736	48.33	53.05	62.52
Japan	2,164,359	3,824,546	1,174,885	125,185,447	220,168,421	66,798,681	57.83	57.56	56.86
Netherlands	343,376	499,993	—	18,118,687	23,094,802	—	52.76	46.17	—
Spain	324,900	504,925	45,151	16,325,456	26,394,751	2,156,389	50.24	52.27	47.76
Sweden	55,736	—	—	3,382,966	—	—	60.60—	—	
United Kingdom	352,677	207,215	—	20,431,427	11,685,406	—	57.93	56.39	—
Yugoslavia	133,673	113,581	—	8,527,076	7,007,642	—	63.79	61.69	—
Total, above	6,342,396	8,222,495	1,646,781	343,515,568	441,457,836	93,323,155	54.16	53.68	56.67
Total, other nations	862,386	716,238	439,385	43,070,201	40,834,653	22,303,232	49.94	57.01	50.76
Total, all nations	**7,206,302**	**8,938,733**	**2,086,166**	**386,585,769**	**482,292,489**	[illegible]	**53.65**	**53.95**	**55.42**

	Quantity in short tons 4/82	 3/82	 4/81	Dollar Value 4/82	 3/82	 4/81	Avg. Value per short ton 4/82	 3/82	 4/81
Bituminous coal, others No. 5213120									
Belgium	116,168	34,857	—	5,290,638	1,639,716	—	45.54	47.04	—
Canada	1,407,651	819	1,230,041	70,583,986	2,566,976	56,590,363	50.14	40.00	46.01
China, Taiwan	70,842	57,605	—	3,094,346	2,566,976	—	43.67	44.56	—
Denmark	354,308	224,416	305,195	18,013,822	11,191,655	14,583,094	50.84	40.87	47.78
Finland	32,376	—	—	1,468,550	—	—	45.35	—	—
France	723,217	293,947	508,400	31,931,469	13,758,629	22,003,656	44.15	46.80	43.28
Germany, F.R. (West)	79,822	129,101	—	3,784,007	6,987,405	—	47.40	54.12	—
Italy	417,904	302,907	106,412	20,972,410	14,376,113	6,431,490	50.18	47.46	44.62
Japan	380,820	731,554	487,007	20,893,442	39,267,912	22,477,761	54.86	53.62	46.15
Netherlands	225,640	185,894	142,130	12,058,250	7,741	2,378,570	53.40	41.64	35.60
Spain	289,952	274,907	504,531	15,258,818	12,958,430	21,314,667	52.62	47.13	42.25
Total, above	4,098,700	2,236,007	3,321,466	203,349,738	110,521,089	148,489,506	49.61	49.42	39.23
Total, other nations	217,714	212,947	503,024	11,490,079	10,521,828	23,295,193	52.77	49.10	46.31
Total, all nations	**4,316,414**	**2,448,954**	**3,824,490**	**214,839,317**	**121,203,917**	**171,784,699**	**49.77**	**49.49**	**44.92**
Lignite No. 5213130									
Total, all nations	**10,825**	**3,642**	**4,672**	**650,868**	**342,437**	**826,011**	**60.55**	**94.02**	**176.80**
Coal coke for use as fuel No. 5213148									
Total, all nations	**31,507**	**84,734**	**82,853**	**3,473,778**	**6,542,520**	**5,229,285**	**109.90**	**77.21**	**63.12**
Petroleum coke, except calcined No. 5213150									
Canada	81,853	12,398	—	4,394,973	672,621	—	53.69	54.25	—
Japan	380,820	135,817	196,964	20,893,442	7,111,090	10,286,256	54.86	52.35	52.22
Netherlands	68,591	105,282	142,822	3,580,770	5,764,673	6,762,95[illegible]	52.20	54.75	47.35
Total, above	531,264	253,497	339,786	28,869,185	13,548,384	17,059,208	54.34	53.44	50.18
Total, other nations	90,736	648,236	426,134	2,71,028	14,117,779	21,503,060	27.23	21.78	50.46
Total, all nations	**622,000**	**501,733**	**765,920**	**31,340,213**	**6,542,520**	**38,552,268**	**50.38**	**13.08**	**50.33**
Compositions for fuel No. 5213160									
Total, all nations	**413**	**79,008**	**87**	**55,272**	**182,902**	**3,030**	**133.83**	**23.11**	**34.83**
Anthracite No. 5213170									
Korea Rep. (South)	—	41,888	—	—	1,406,000	—	—	33.56	—
Total, all nations	**78,548**	**84,111**	—	**6,179,829**	**3,214,323**	—	**78.67**	**38.07**	—

C2350-1 6/20/82

Focus on
WESTERN MINING
Starts on Page 3

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Coal's National Newspaper

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NEWS ROUNDUP

Spain and Indonesia's national coal companies **reached a tenative agreement to open a mine** in southeastern Kalimantan in Indonesia. A spokesman for the Indonesian firm, P.N. Batubara, said negotiations between it and Enpressa Nationale Adara de Investigationes Mineras S.A. of Spain are proceeding satisfactorily.

* * *

A new Interior Department task force **aims to recover more than $22 million in unpaid reclamation fees and civil penalty fines** from coal mine operators. James R. "Dick" Harris, director of the Office of Surface Mining, said operators of more than 1,600 mines nationwide owe approximately $19 million in reclamation fees. In addition, 3,165 cases involving $13.4 million in unpaid civil penalty fines have also been referred. Interior Solicitor William H. Coldiron said 10 task force attorneys have been appointed special assistant U.S. attorneys. They will work closely with the Justice Department to expedite civil prosecution of cases.

* * *

Davy McKee Corp. of Cleveland obtained exclusive licensing rights for the Cogas Development Co. proprietary coal conversion technology **for production of gas, liquid and solid fuels from various types and grades of coal.** The technology on which the processes are based was developed over a 10-year perod at a cost of more than $20 million and included operation of pilot plants in England and the United States.

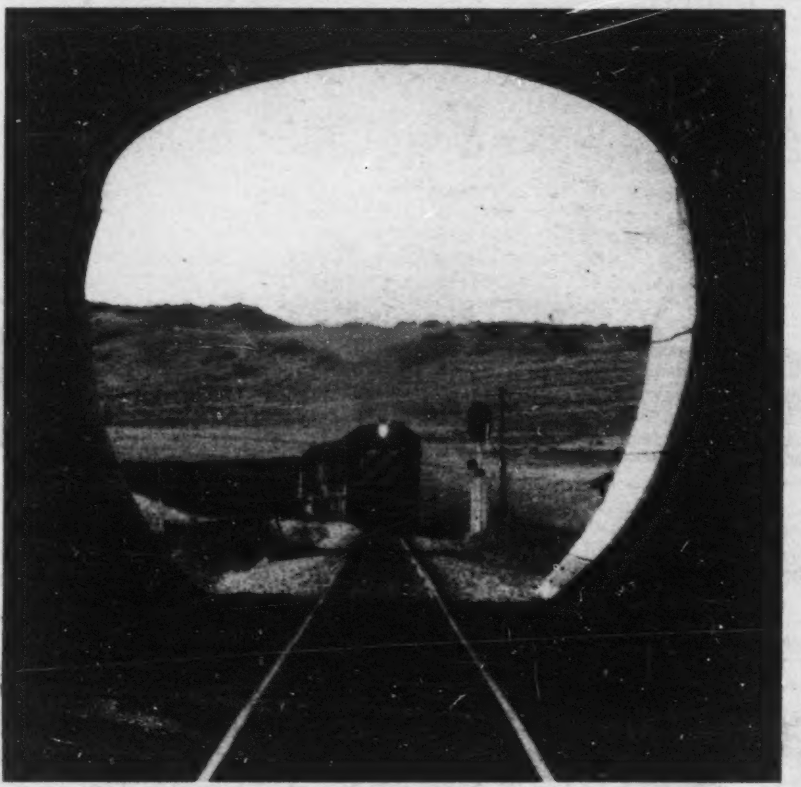
* * *

Moore McCormack Resources Inc.'s Cleveland subsidiary, Pickands Mather and Co., **increased its share of Scotts Branch Mine in Kentucky by 21 percent** for about $9.7 million to approximatey 41 percent. The move was part of a reorganization which saw the Pike County, Ky., mine's remaining portion acquired by Holland Carbon Fuels, a joint venture of three Dutch firms. Scotts Branch has an annual design capacity of 1.25 million tons and more than 70 million tons of dedicated reserves.

* * *

Rep. Toby Moffett, D-Conn., running for the Senate seat held by Republican Lowell Weicker, has asked Secretary of State Alexander Haig **to account for U.S. actions that "have snagged negotiations" with Canada over acid rain.** Moffett says that U.S. Environmental Pro-

(Continued on page 2)



Transportation Key Factor in Western Mining

TRANSPORTATION is becoming an increasingly important factor in the future of low sulfur western coal. Here, a Burlington Northern unit train, carrying 11,000 tons of coal, approaches a tunnel shortly after leaving a mine near Gilette, Wyo. Focus features beginning on page 3 examine the outlook for western production, transportation issues and the low demand for leases in the region.

ICC Hears Rail Rate Arguments, Will Decide in 'Reasonable Time'

By Steve Marcy

WASHINGTON — Combatants in a six-month war over rail rates for export coal finally squared off before the Interstate Commerce Commission and were told by its chairman they would receive a decision "within a reasonable time" on whether to unleash railroad pricing practices.

The railroads contend the ICC should look at the world coal arena and not just the U.S. transportation market in deciding the issue. Competition among coal-supplying countries for markets will constrain the railroads' natural propensity to extract the highest rates it can from coal shippers.

"We wouldn't be so foolish as to price ourselves out of the market," said G. Paul Moates, one of the railroad attorneys.

But John Orberdorfer, lawyer for the National Coal Association and the affiliated Coal Exporters Association, is unconvinced that there is such a thing as a world coal market. Rather, it is a group of regional markets centered in Europe and the Pacific Rim whose access is limited by geography and coal type.

Even if a world market existed, argued Oberdorfer, the original Interstate Commerce Act precludes the ICC from considering it when in deciding cases that remain within the agency's jurisdiction. Nothing in the 1980 Staggers Act, which made rate policy more reliant on the marketplace than on the ICC for regulation, revokes the ICC's obligation to focus solely on the domestic transportation market, Obedorfer contended.

Individual Hauls

The ICC must therefore look at individual line hauls from individual mines to see if transportation competition exists or if a railroad is in a position to exercise "market dominance."

Only if a mine has at least one railroad or transportation method alternative does competition actually exist. Otherwise, contends Oberdorfer, a railroad can charge a rate so high that a mine dare not price its coal above production costs for fear that the total price, including transportation, will be so high to drive away a potential customer. The mine thus becomes a price-taker and a captive of the railroad.

ICC special counsel Harvey Gobetz agreed with the coal indusry's Oberdorfer. He said world coal export competition was "of only limited relevance in the matter be-

(Continued on back page)

Federal Energy Tax Apparently Dead for Now

WASHINGTON — Hearts of energy industry leaders are palpitating a little less furiously now that it appears Congress has decided against resorting to an energy tax to close the defict gap in the 1983 budget.

Except for some segments of the natural gas industry, energy leaders appeared before the Senate Finance Committee to vigorously oppose the idea when Congress was apparently at least toying with it.

R.E. Samples, chairman of Consolidation Coal Co. and testifying on behalf of the National Coal Association, said the BTU equivalent of a $2 per barrel tax on oil would be $8 per ton for coal, a 27 percent increase on the basis of $30 per ton. That would be more than enough to wreck the U.S. export market.

Samples said such an increase, when coupled with increased rail rates, would reduce by half potential U.S. export sales and lose $3 billion in foreign exchange.

The tax would also be enough, Samples said, to choke off incentive for converting oil-fired utilities to coal. The tax amounts to a smaller percentage increase per unit of oil compared to a unit of coal, thereby narrowing the price gap between oil and coal and encouraging greater oil use.

At least a temporary shelving of energy tax plans was signaled during the hearing by Committee Chairman Sen. Robert Dole, R-Kan., who has concluded the concurrent budget resolution will contain enough new reveneue sources to hold the budget deficit in line.

The $770 billion budget House and Senate conferees were debating last week still figures on a $104 billion deficit despite $22 billion in new taxes. Although Dole refused to rule out an energy tax, either to foster conservation or to fund the federal highway program, the amount of revenue to be raised is small enough, observers feel, to forgo the need to tax either energy production or consumption.

The budget resolution also leaves virtually intact the 1982 spending levels for federal energy programs. — **Steve Marcy**

INSIDE

PENNSYLVANIA SURFACE operators won a 90-day reprieve from a proposed tripling of state fees. That and other **Reports from our Correspondents on page 2.**

WESTERN INDUSTRY officials have a mixed outlook on their area's future. Gene Smith explains why in a **Focus Feature on page 3.**

SLURRY LEGISLATION is moving even closer to U.S. Senate Energy Committee consideration, with proponents confident of victory once markup begins, reports Steve Marcy **on page 11.**

FACTS & FIGURES

Domestic

	WEEKLY		
	6/12/82	6/5/82	6/13/81
Production			
Bituminous, recent week	17,481	15,053	13,123
Bituminous, year to date	**392,673**	**309,384**	—
Anthracite, recent week	130	112	115
Anthracite, year to date	**2,918**	**2,350**	—
Railroad carloadings			
Bituminous, recent week	118,270	101,333	92 175
Bituminous, year to date	**2,648,484**	**2,169,189**	—
Anthracite, recent week	165	158	536
Anthracite, year to date	**4,544**	**5,823**	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY		
	6/12/82	6/5/82	6/13/81
Production by states, bituminous and lignite			
Eastern			
Alabama	569	490	373
Georgia	—	—	—
Illinois	1,297	1,117	690
Indiana	639	550	425
Kentucky:			
Eastern	2,295	1,977	2,146
Western	878	756	510
Total, Ky.	**3,173**	**2,733**	**2,656**
Maryland	86	74	92
Ohio	818	705	210
Pennsylvania	1,757	1,513	1,375
Tennessee	200	172	220
Virginia	878	756	885
West Virginia	2,555	2,200	1,410
Total, Eastern	**11,972**	**10,310**	**8,336**
Western			
Alaska	16	14	13
Arizona	220	189	242
Arkansas	4	3	6
Colorado	399	344	410
Iowa	12	10	12
Kansas	16	14	20
Missouri	110	95	50
Montana	679	584	674
New Mexico	399	344	290
North Dakota	364	314	298
Oklahoma	112	96	60
Texas	659	567	610
Utah	299	258	280
Washington	104	89	130
Wyoming	2,116	1,822	1,690
Total Western	**5,509**	**4,743**	**4,787**
Total, United States	**17,481**	**15,053**	**13,123**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY		
	4/82	3/82	4/81
Coal Labor			
All employees			
Coal Mining	248.0	249.9	89.5
Bituminous & Lignite	244.6	246.5	88.0
Production employees			
Coal mining	204.9	206.2	73.9
Bituminous & Lignite	201.8	203.2	72.5
Hours, weekly average			
Coal mining	39.9	41.3	38.5
Bituminous & Lignite	39.8	41.3	38.5
Earnings, hourly average			
Coal mining	12.39	12.33	11.44
Bituminous & Lignite	12.43	12.37	11.56
Earnings, weekly average			
Coal mining	494.36	509.23	440.44
Bituminous & Lignite	494.71	510.88	445.06

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY		
	3/82	2/82	3/81
Bituminous and Lignite			
Consumption			
Electric power utilities	47,811	48,795	41,378
Coal user stocks of coal			
Electric power utilities	154,724	148,118	174,554
Anthracite			
Consumption			
Electric power utilities	73	83	75
Coal user stocks of coal			
Electric power utilities	5,488	5,401	4,951

Note: Data give in thousands of short tons.
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Midwest	108.3	108.4	103.7
Contract	109.5	109.6	104.3
West	105.0	104.3	103.0
Contract	105.0	104.3	103.0
Metallurgical/coke producer	101.3	101.3	100.0
High volatile	101.4	101.6	99.8
North Appalachia	99.7	100.5	100.1
Contract	99.8	100.6	100.2
South Appalachia			
Contract	102.5	102.4	99.6
West	99.4	99.4	100.6
Low volatile	101.2	100.0	100.4
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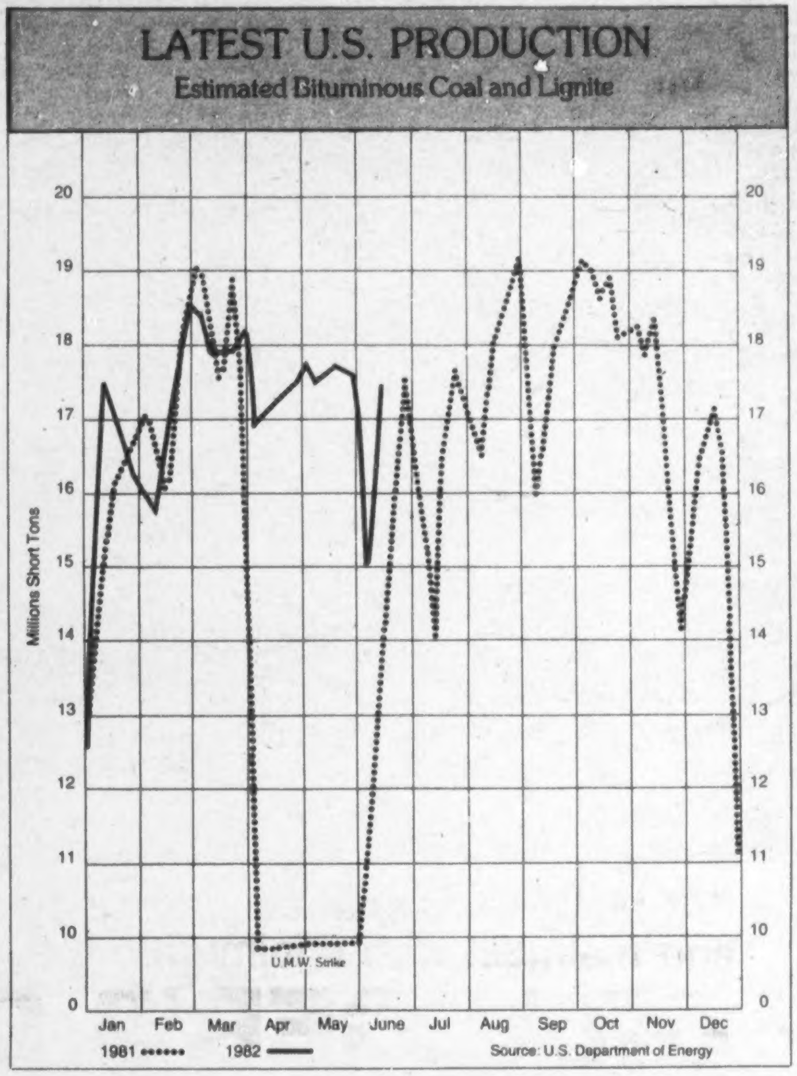
LATEST U.S. PRODUCTION
Estimated Bituminous Coal and Lignite

Source: U.S. Department of Energy

PRODUCTION OF BITUMINOUS coal and lignite for the week ended June 12 reached 17.481 million tons, a 16.1 percent increased from the Memorial Day week, which produced 2.428 million fewer tons. A year earlier, production was 13.123 million short tons. Year to date production since Jan. 1 has totaled 392.673 million sort tons, a 26.9 percent increase from the same period in 1981. Source for all figures is the Department of Energy's Energy Information Administration.

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
Bituminous coal, low volatile blends to make coke No. 5213110	4/82	3/82	4/81	4/82	3/82	4/81	4/82	3/82	4/81
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Netherlands	343,376	499,993	—	18,118,687	23,084,802	—	52.76	46.17	—
Spain	324,900	504,925	45,151	16,325,456	26,394,751	2,156,389	50.24	52.27	47.76
Sweden	55,735	—	—	3,382,966	—	—	60.60—	—	
United Kingdom	352,677	207,215	—	20,431,427	11,885,406	—	57.93	56.39	—
Yugoslavia	133,673	113,561	—	8,527,076	7,007,642	—	63.79	61.69	—
Total, above	6,342,396	8,222,495	1,646,781	343,515,568	441,457,836	93,323,155	54.16	53.68	56.67
Total, other nations	862,366	716,238	439,385	43,070,201	40,834,653	22,303,232	49.94	57.01	50.76
Total, all nations	**7,205,362**	**8,938,733**	**2,086,166**	**386,585,769**	**482,292,489**	**115,626,387**	**53.65**	**53.96**	**55.42**

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	4/82	3/82	4/81	4/82	3/82	4/81	4/82	3/82	4/81
Bituminous coal, others No. 5213120									
Belgium	116,168	34,857	—	5,290,638	1,639,716	—	45.54	47.04	—
Canada	1,407,651	819	1,230,041	70,583,986	2,566,976	56,590,363	50.14	40.00	46.01
China, Taiwan	70,842	57,605	—	3,094,346	2,566,976	—	43.67	44.56	—
Denmark	354,308	224,416	305,195	18,013,822	11,191,655	14,583,094	50.84	49.87	47.78
Finland	32,376	—	—	1,468,550	—	—	45.35	—	—
France	723,217	293,947	508,408	31,931,469	13,758,629	22,003,856	44.15	46.80	43.28
Germany, F.R. (West)	79,822	129,101	—	3,784,007	6,987,405	—	47.40	54.12	—
Italy	417,904	302,907	106,412	20,972,410	14,376,113	6,431,490	50.18	47.46	44.62
Japan	380,820	731,554	487,007	20,893,442	39,267,912	22,477,761	54.86	53.62	46.15
Netherlands	225,640	185,894	142,130	12,058,250	7,741	2,378,570	53.40	41.64	35.80
Spain	289,952	274,907	504,531	15,258,818	12,958,430	21,314,667	52.62	47.13	42.25
Total, above	4,098,700	2,236,007	3,321,466	203,349,738	110,521,089	148,489,506	49.61	49.42	39.23
Total, other nations	217,714	212,947	503,024	11,490,079	10,521,828	23,295,193	52.77	49.10	46.31
Total, all nations	**4,316,414**	**2,448,954**	**3,824,490**	**214,839,817**	**121,203,917**	**171,784,699**	**49.77**	**49.49**	**44.92**
Lignite No. 5213130									
Total, all nations	**10,825**	**3,642**	**4,672**	**659,868**	**342,437**	**826,011**	**60.95**	**94.02**	**176.80**
Coal coke for use as fuel No. 5213148									
Total, all nations	**31,607**	**84,734**	**82,853**	**3,473,778**	**6,542,520**	**5,229,285**	**109.90**	**77.21**	**63.12**
Petroleum coke, except calcined No. 5213150									
Canada	81,853	12,398	—	4,394,973	672,621	—	53.69	54.25	—
Japan	380,820	135,817	196,964	20,893,442	7,111,090	10,286,256	54.86	52.35	52.22
Netherlands	68,591	105,282	142,822	3,580,770	5,764,673	6,762,952	52.20	54.75	47.35
Total, above	531,264	253,497	339,786	28,869,185	13,548,384	17,059,208	54.34	53.44	50.18
Total, other nations	90,736	648,236	426,134	2,71,028	14,117,779	21,503,060	27.23	21.78	50.46
Total, all nations	**622,000**	**501,733**	**765,920**	**31,340,213**	**6,542,520**	**38,552,268**	**50.38**	**13.08**	**50.33**
Compositions for fuel No. 5213160									
Total, all nations	**413**	**79,008**	**87**	**55,272**	**182,802**	**3,030**	**133.83**	**23.11**	**34.83**
Anthracite No. 5213170									
Korea Rep. (South)	—	41,888	—	—	1,406,000	—	—	33.56	—
Total, all nations	**78,548**	**84,111**	—	**6,179,829**	**2,214,323**	—	**78.67**	**38.07**	—

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Focus Feature
CRUSHERS AND BREAKERS
Starts on Page 5

COAL INDUSTRY NEWS

Coal's National Newspaper

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Senate Finance Panel Tax Package Shuns BTU, Other Major Levies

By S. Lawrence Paulson
and Steve Marcy

WASHINGTON — The Senate Finance Committee, meeting into the wee hours, voted along party lines in favor of a $21 billion tax package that includes no major energy tax.

But while the panel decided against taking up the politically sensitive issues of an oil consumption tax or import fee, it did include in its bill several provisions that are expected to be opposed by the major oil companies.

Energy producers, including the coal industry, lobbied against a BTU tax on all energy production although the mining industry would not have been too disappointed to see a tax applied only to oil.

At a press conference, Finance Committee Chairman Robert Dole, R-Kan., said he was optimistic about the bill's chances in the full Senate and in the House despite the party-line 11-9 vote approving the measure. Dole said that "if the Democrats wanted to frustrate what we were doing, they could have kept us (the committee) there until next week."

The House Democratic leadership has allowed the Senate to take the lead in forging a tax package, but there is a possibility that the House may approve a bill substantially different from the Senate's. If that happens, the real bill will be written in a House-Senate conference committee.

The Finance Committee legislation will also face some opposition on the Senate floor, especially from liberal Democrats who feel the legislation does not go far enough in curtailing business tax breaks.

Dole said that an energy tax to raise part of the $21.9 billion called for in the Congressional Budget Resolution was never much more than "on the back burner," from where the fire under it flickered and died.

(Continued on page 4)

NEWS ROUNDUP

British coal miners and the Thatcher government moved closer to confrontation as the National Union of Mineworkers voted to seek a 27.70-pound across-the-board wage increase effective Nov. 1. The demand equals a 31 percent jump in salary for the lowest paid surface workers and dips to a 22.5 percent rise for underground miners now earning $121.55 pounds a week. **Signals from the government suggest rejection** of the demand by the National Coal Board as indicated by the call from Chancellor of the Exchequer Sir Geoffrey Howe for "very low pay rises indeed." The union also announced it would support the British railway engineers' strike and oppose coal transport by rail or diversion of the fuel to trucks.

* * *

Tesoro Petroleum Corp.'s coal subsidiary **sold substantially all of its assets for $4 million** last week to an operating subsidiary of Elk River Resources Inc., a division of Sun Co. Inc. The sale ends Tesoro Coal Co.'s mining operations.

* * *

Nineteen Japanese banks will provide $80 million in financing for Alberta's Gregg River coal project through Japan Finance Enterprises, Fuji Bank Ltd. said as lead manager. Organized in Alberta by seven Japanese steel and trading companies, JFE holds 40 percent of the project with the remainder held by Gregg River Resources, an affiliate of Manarta Coal of Canada.

* * *

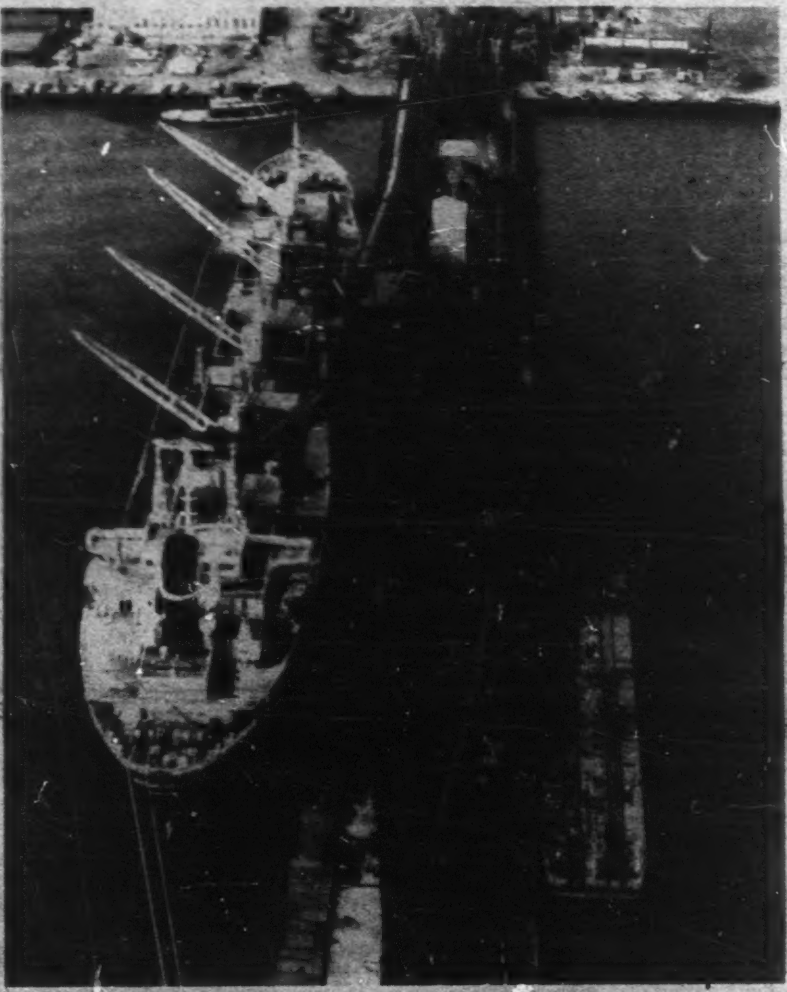
United Mine Workers of America President Sam Church urged the De-

(Continued on page 4)

INSIDE

A GLOOMY ATMOSPHERE caused by soft markets and decreased profits permeated this year's National Coal Association convention. Many attendees suggest there aren't easy answers, reports Steve Marcy **on page 2.**

HIGH RAIL RATES may force southwestern utilities away from Powder River Basin coal and toward lignite and coal from Illinois, warns a top Houston utility executive. **Story on page 2.**



First East U.S. Steam Coal Loaded for Japan

THE FIRST LOAD of Kentucky steam coal ever shipped to Japan by Utah International from an eeastern port is loaded at Chessie System Railroads' Pier 15 in Newport News, Va. Filling the hold of the "Ocean Grace" is 28,315 tons of steam coal that will be used for electrical generation. Utah International has long been a supplier of coal to Japan, but nearly all of it came from mines in Australia.

Soviets Seek W. German Liquefaction Technology

By John M. Bradley

BONN — The Soviet Union is seeking West German mining expertise, coal conversion technology, and possibly credits to develop its huge coal deposits in eastern Siberia. If realized, the project would dwarf the recently signed $10 billion gas deal.

With an estimated 140 billion tons of lignite deposits, Siberia's Kansk-Atschinks Basin rates among the seven largest brown coal fields in the world. And it is the site where the Kremlin wants to build a series of conversion plants with a total capacity of 100 million tons of synthetic fuel yearly.

Although referred to as a "planner's fantasy" by skeptics here, leading coal executives recently accompanied Graf Otto Lambsdorf, the West German Economics Minister, to Moscow with a German trade delegation to discuss the project in detail.

There are 14 experimental and pilot plants now operating or in the planning stage in Germany, but technologies remain too expensive to produce commercially.

West German coal experts, however, believe coal recovered from the Siberian field may be inexpensive enough to make large-scale conversion economically feasible.

Dr. Karlheinz Bund, chairman of the board of Ruhrkohle A.G., said the cost of the building gasification and liquefaction plants and developing the infrastructure in what is one of Russia's most inhospitable and remote areas would "cost in the neighborhood of $44 billion over a period of 10 years."

European Report

Salzgitter chairman Heinz Pieper, who was in Moscow with Bund, said the project could be worth between $1.6 billion and $2.9 billion in contracts for West German manufacturers and suppliers.

Whatever the outcome of the latest West German-Soviet negotiations, development of the Kansk-Atschinks Basin, which lies some 3,000 miles northeast of Moscow, figures prominently in Russia's energy development program.

Problems Abound

But in developing the Basin, acquisition of German technology will be the least difficult obstacle for the Russians to overcome.

Problems created by the nature of Russia's planned economic system are epitomized in the country's coal fields. The 1976-80 plan called for the production of 805 million tons of coal. By the close of 1980 it stood at 716 million tons — 89 million tons short of the quota.

Production, after impressive gains, has been dropping steadily for the past three years. By the end of last year, production was already 6.6 million tons down from the previous year and is 16 million tons behind on the current five-year plan.

Chronic transportation problems com-

(Continued on back page)

James B. Crawford Named President Of Transco Energy's New Coal Unit

HOUSTON — James B. Crawford has been named president of Transco Coal Co., the new Transco Energy Co. subsidiary formed after acquisition of coal mining operations in eastern Kentucky earlier this year.

Crawford was previously senior vice president for corporate development, with primary emphasis on evaluating new business opportunities for Transco in coal. Before joining the company early in 1981, he was executive vice president of A.T. Massey Coal Co.

With its headquarters in Richmond, Transco Coal will have operating as subsidiaries Bell County Coal Corp. and Johns Creek Coal Corp. (with its wholly-owned subsidiary, McKoy/Elkhorn Coal Corp.) which will produce coal; Blue Crystal Coal Sales Co., which will market coal, and Transco Coal Services Co., which will provide general management and administrative support.

Crawford said the Transco Coal management team includes Robert C. Miser, senior vice president, and Sam S. Johnson, vice president of planning and development for Transco Coal Services; J.B. Williams, vice president for operations of Bell County Coal; James B. Dotson, vice president for operations of McKoy/Elkhorn Coal, and William E. Massey Jr., president of Blue Crystal.

COAL INDUSTRY PEOPLE

HARRIS

BARBER

James Barber has been promoted to the post of vice president, sales and distribution, at Pall Industrial Hydraulics Corp.

The Valley Camp Coal Co. announced the promotion of **Richard C. Harris** to executive vice president, operations.

Wen-Don Corp. announced the appointment of **James W. Davis** to manager, technical services, Coal Products division.

Environmental Management Services Co., a Colorado-based firm specializing in permitting and environmental services for the mining and energy development industries, has named **William R. White** reclamation manager.

Charles E. Taylor has rejoined the ship agent and brokerage firm of T. Parker Host, Inc. as vice president, coal traffic.

Thomas G. Norris, vice president of planning and development for Standard of Ohio, has joined Sohio's Old Ben Coal Co. in a newly created position as executive vice president for marketing and development.

Ed Radjunas has transferred to the sales and marketing department of Ashland Coal, Inc.

General Coal Co., international and domestic sales subsidiary of Westmoreland Coal Co., announced the promotions of **Samuel G. Bickford** to vice president, inland sales, **Joseph W. Lee** to vice president, purchasing, and **Edward J. Demeter** to assistant vice president, purchasing.

ANR Coal Sales Unit is Formed

ROANOKE — ANR Coal Co., a division of American Natural Resources Co., has formed a new subsidiary, ANR Coal Sales Inc., to act as exclusive sales agent for three other ANR Coal subsidiaries.

ANR Coal President John W Hancock, who will also be president of the sales company, said the new subsidiary will be the agent for Brooks Run Coal Co., Enterprise Coal Co. and Virginia Iron, Coal and Coke Co.

Other principal officers are Robert J. Hummel, senior vice president; Michael E. Riley, vice president for export sales, and S. Frank Smith, vice president for domestic sales.

ANR Coal Sales' headquarters will be in Roanoke, Hancock said.

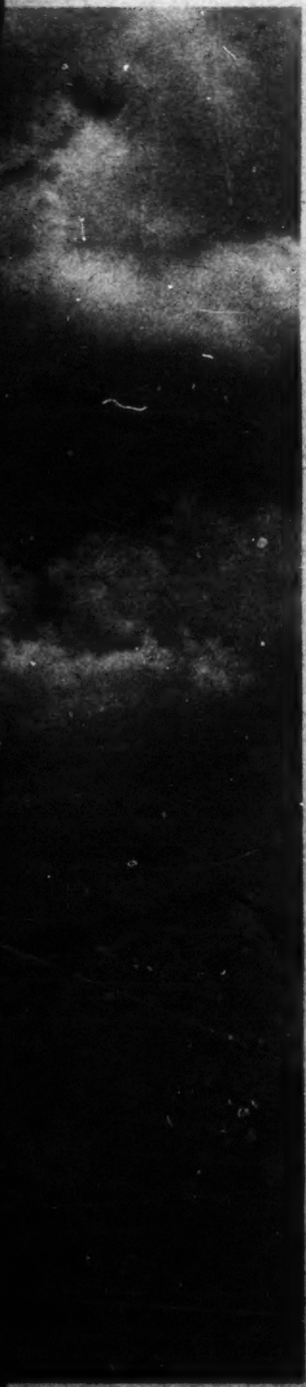
Old Ben Realigns Executive Roles

CHICAGO — Old Ben Coal Co. has made executive personnel and organizational changes in line with a reorganization started last year and to incorporate recent acquisitions, according to Hugh W. Evans, president of the Standard Oil of Ohio subsidiary.

Operations under the direction of Executive Vice President Michael M. O'Brien will consist of four divisional offices, each headed by a vice president:

- James D. Chady of the Illinois division, formerly manager of that unit.
- E. Wayne Parke of the Indiana division, formerly manager of that unit.
- Gene D. Shockey of the Pennsylvania division, who was formerly operations vice president for Old Ben's general Appalachian area.
- And Peter A. Ferguson of the West Virignia division, formerly vice president for operatons of Jim Walter Resources Inc., Brookwood, Ala.

Other reassignments within Old Ben include Richard B. Sachoff, former employee relations manager, as corporate manager for industrial relations and safety, and Rodney F. Rhoads, former manager of employee selection and development, as corporate manager for equal employment opportunity and management development.



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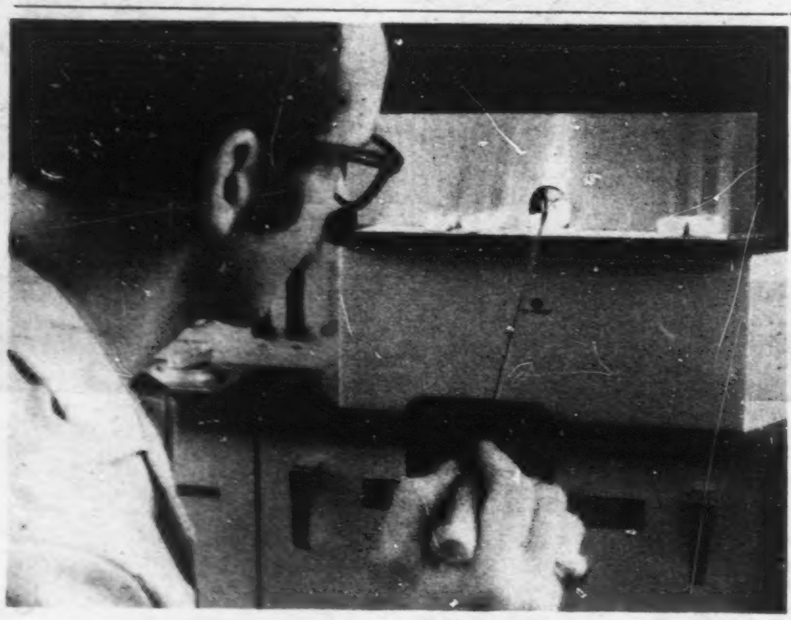


When Quality is Critical

AMERICAN Cyanamid's David Gaefke inserts coal samples into a LECO Sulfur Determinator to measure sulfur content of coal at Pittsburgh technical service laboratory. Sophisticated quality analysis is becoming increasingly a part of consulting engineers' chores, including environmental analysis for regulatory agencies and investment analysis for banks. For a closer look at this rapidly changing industry, see the Focus beginning on page 8.

Westerners Preparing Amendment To Ease Clean Air Requirements

By Steve Marcy

WASHINGTON — Two western senators will offer to the Senate Environment Committee an amendment to the Clean Air Act this week that could make it a little easier for utilities to burn eastern high-sulfur coal while allowing western coal into the markets, Senate sources said.

But even if the committee completes its months of deliberations on the Clean Air Act — as could happen this week — these sources doubt the bill will come to the floor this session.

"(Senate Majority Leader) Howard Baker doesn't want to see anything this controversial before the election," one source told *Coal Industry News*, despite pressure from President Reagan and promises from Baker that he would push the Senate on the issue. "He's basically been just going through the motions," a committee source said.

But a lame-duck session appears inevitable for Congress to address spending bills and other controversial measures no one wants to confront before the election. The Clean Air Act amendments could come up with them, sources say.

Replaces 'Percentage Reduction'

The amendment would replace the "percentage reduction requirement," which requires 90 percent of the sulfur dioxide to be removed from the stack gases where high sulfur coal is burned and 70 percent of the sulfur dioxide from the burning of low-sulfur coal.

The amendment, sponsored by Sens. Alan K. Simpson, R-Wyo., and Pete Domenici, R-N.M., would direct the Environmental Protection Agency to devise a new standard for new pollution sources. EPA must base it on historical coal use, making it the rough equivalent of the percentage reduction requirement.

The overall effect would be a slight easing of the sulfur reduction requirement for eastern coal burned in new power plants,

(Continued on back page)

INSIDE

SLURRY LEGISLATION heads for debate next month on the floors of the House and Senate. **Story on page 2; Washington, FYI on back page.**

A COLORADO INITIATIVE to boost that state's severance tax failed to attract the needed signatures and won't be on the November ballot. That and other **Reports from our Correspondents on page 5.**

NEWS ROUNDUP

The Interstate Commerce Commission **approved a financing plan last week for a new Powder River Basin rail access route** proposed by Chicago and North Western Transportation Co. Approval follows ICC clearance of a series of transactions July 24 giving Chicago and North Western access to Powder River Basin coal via track to be jointly owned with the Burlington Northern Railroad. Plans call for coal to be shipped over the jointly owned line, then over rehabilitated and newly constructed lines in Wyoming and Nebraska. But **price remains an issue between the two carriers**, and the ICC says if an agreement can't reached, it will set the price itself.

* * *

Occidental Petroleum Corp. Chairman Armand Hammer dedicated a new Baltimore coal transshipping facility, saying it **"tells the world that America's tremendous energy reserves in the form of coal are not standing idle."** Oxy subsidiary Curtis Bay Co. will operate the Bay Side Transshipping Terminal which can store up to 500,000 tons of coal using eight stacking towers and a system of conveyors. Hammer said Bay Side will expedite coal movement to northeastern states.

* * *

Armco Inc. announced **two compliance quality steam coal contracts for more than $100 million** with Weyerhauser Co. and Container Corp. of America for delivery of some 250,000 tons of low sulfur coal yearly from Armco's West Virginia mines.

(Continued on page 2)

Samples to Retire as Consol Chief, B.R. Brown Designated Successor

STAMFORD, Conn. — R.E. "Gene" Samples, chairman and chief executive officer of Consolidation Coal Co., will take early retirement Aug. 31 to pursue other coal industry interests, announced officials of Consol's parent, Conoco Inc.

Coal Industry News has learned that Samples will become president and chief operating officer of Arch Minerals Corp. of St. Louis on Sept. 1.

He will be succeeded at Consol by B.R. Brown, Consol's president and chief operating officer.

Samples originally joined Consol in 1966. He left the company in 1973 to become senior vice president of Amax Coal Co. but rejoined Consol two years later as its president and chief operating officer.

He was elected in 1977 to his present Consol position as well as being named president of Conoco's coal and minerals operations.

Graduating from the New Mexico Institute of Mining and Technology in 1949, Samples immediately went to work as a mining engineer for the Northern Illinois Coal Corp., later merged into Peabody Coal Co. He worked for Peabody until 1966.

Brown has been Consol's president and chief operating officer since November 1977. He was Conoco's senior vice president for personnel when he joined Consol as executive vice president in March of that year.

R.E. "GENE" SAMPLES
...in coal since 1949

He'd joined Conoco 20 years earlier and had advanced through a series of positions in the company's production and personnel departments. Brown is a native of Hamburg, Ark., and a graduate of the University of Arkansas.

Regulations to Dictate Underground Vehicle Technology Advances

By Sharon Denny

WASHINGTON — Government and union regulations will be as instrumental as the marketplace in dictating technological advances in underground coal mining vehicles, engineers say.

"We have to build what the market demands," said Scotty Green, director of engineering for Joy Manufacturing in Pittsburgh. "But at the same time, we still have to develop equipment the government will allow underground."

In response to the market, mining vehicle manufacturers are turning increasingly to thin-seam miners and haulers to work Eastern mines where thicker seams already have been mined.

FOCUS:
Coal Vehicles

That aside, the key question facing manufacturers is what energy source will become predominant underground. Today, the debate centers around the relative merits of diesel, electric or battery-powered equipment.

Opinions Differ

Although all three types are operating in U.S. mines, research and development experts offer diverse opinions on the reliability and usefulness of each energy source.

"My personal assessment is that diesel will not turn out to be the prevalent energy

(Continued on page 6)

FACTS & FIGURES

	WEEKLY		
	7/31/82	7/24/82	8/1/81
Production			
Bituminous, recent week	15,288	14,441	17,765
Bituminous, year to date	491,038	424,526	—
Anthracite, recent week	116	109	102
Anthracite, year to date	3,657	3,143	—
Railroad carloadings			
Bituminous, recent week	112,099	105,656	126,728
Bituminous, year to date	3,356,062	2,880,348	—
Anthracite, recent week	259	328	374
Anthracite, year to date	6,277	8,921	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY		
	7/31/82	7/24/82	8/1/81
Production by states, bituminous and lignite			
Eastern			
Alabama	480	425	620
Georgia	—	—	—
Illinois	1,155	991	1,395
Indiana	610	537	625
Kentucky:			
Eastern	2,044	1,831	2,512
Western	782	739	1,022
Total, Ky.	**2,826**	**2,570**	**3,534**
Maryland	76	72	83
Ohio	729	688	840
Pennsylvania	1,240	1,210	1,816
Tennessee	178	168	295
Virginia	800	705	975
West Virginia	1,975	1,848	2,410
Total, Eastern	**10,069**	**9,214**	**12,593**
Western			
Alaska	14	13	13
Arizona	240	260	220
Arkansas	4	3	8
Colorado	355	375	375
Iowa	11	12	12
Kansas	14	13	16
Missouri	98	100	125
Montana	750	675	630
New Mexico	400	400	325
North Dakota	340	350	318
Oklahoma	100	94	90
Texas	650	600	725
Utah	267	295	240
Washington	92	87	115
Wyoming	1,884	1,950	1,960
Total Western	**5,219**	**5,227**	**5,172**
Total, United States	**15,288**	**14,441**	**17,765**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY		
	6/82	5/82	6/81
Coal Labor			
All employees			
Coal Mining	240.0	244.6	233.7
Bituminous & Lignite	241.2	244.1	230.1
Production employees			
Coal mining	196.7	201.3	192.9
Bituminous & Lignite	193.7	198.3	189.7
Hours, weekly average			
Coal mining	40.3	40.3	34.8
Bituminous & Lignite	40.3	40.3	34.7
Earnings, hourly average			
Coal mining	12.80	12.33	11.89
Bituminous & Lignite	12.84	12.37	11.95
Earnings, weekly average			
Coal mining	515.84	496.90	413.77
Bituminous & Lignite	517.45	498.51	414.67

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY		
	5/82	4/82	5/81
Bituminous and Lignite Consumption			
Electric power utilities	45,523	43,403	44,908
Coal user stocks of coal			
Electric power utilities	167,805	181,720	143,500
Anthracite Consumption			
Electric power utilities	98	88	91
Coal user stocks of coal			
Electric power utilities	5,569	5,549	5,008

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	5/82	4/82	5/81
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Monthly	93,011	88,124	88,941

	MONTHLY		
Price Indexes	4/82	3/82	1/82
Bituminous Coal and Lignite	103.7	103.3	102.1
Primary Products	104.0	102.8	101.4
Prepared	103.3	102.8	101.7
Steam electric utilities	103.7	103.2	102.0
North Appalachia	102.4	101.4	100.2
Spot	N.A.	101.9	N.A.
Contract	103.6	101.3	99.4
South Appalachia			
Contract	97.5	97.0	100.7
Midwest	108.3	108.4	103.7
Contract	109.5	109.6	104.3
West	105.0	104.3	103.0
Contract	105.0	104.3	103.0
Metallurgical/coke producer	101.3	101.3	100.0
High volatile	101.4	101.6	99.8
North Appalachia	99.7	100.5	100.1
Contract	99.8	100.6	100.2
South Appalachia			
Contract	102.5	102.4	99.6
West	99.4	99.4	100.6
Low volatile	101.2	100.0	100.4
North Appalachia			
Contract	96.7	100.6	99.9
South Appalachia			
Contract	102.7	101.2	100.6
All other industrial	101.7	100.6	101.0
North Appalachia			
Contract	97.5	95.2	96.2
Midwest			
Contract	102.0	102.0	100.5
Unprepared (raw)	106.5	103.0	100.7
For preparation at other establishments	N.A.	N.A.	N.A.
For use without preparation	107.6	107.7	105.6
Anthracite	154.5	154.6	153.1
Primary products	154.2	154.2	153.0
Prepared anthracite shipped	155.2	155.3	153.8
Stove	151.3	151.3	145.7
Chestnut	150.9	150.9	145.1
Pea	163.1	163.1	163.1
Buckwheat no. 1	149.0	149.0	149.0
Buckwheat no. 2	162.9	162.9	162.9
Buckwheat no. 4	147.0	147.0	N.A.
Buckwheat no. 5	112.0	112.0	N.A.

N.A.—Not Available

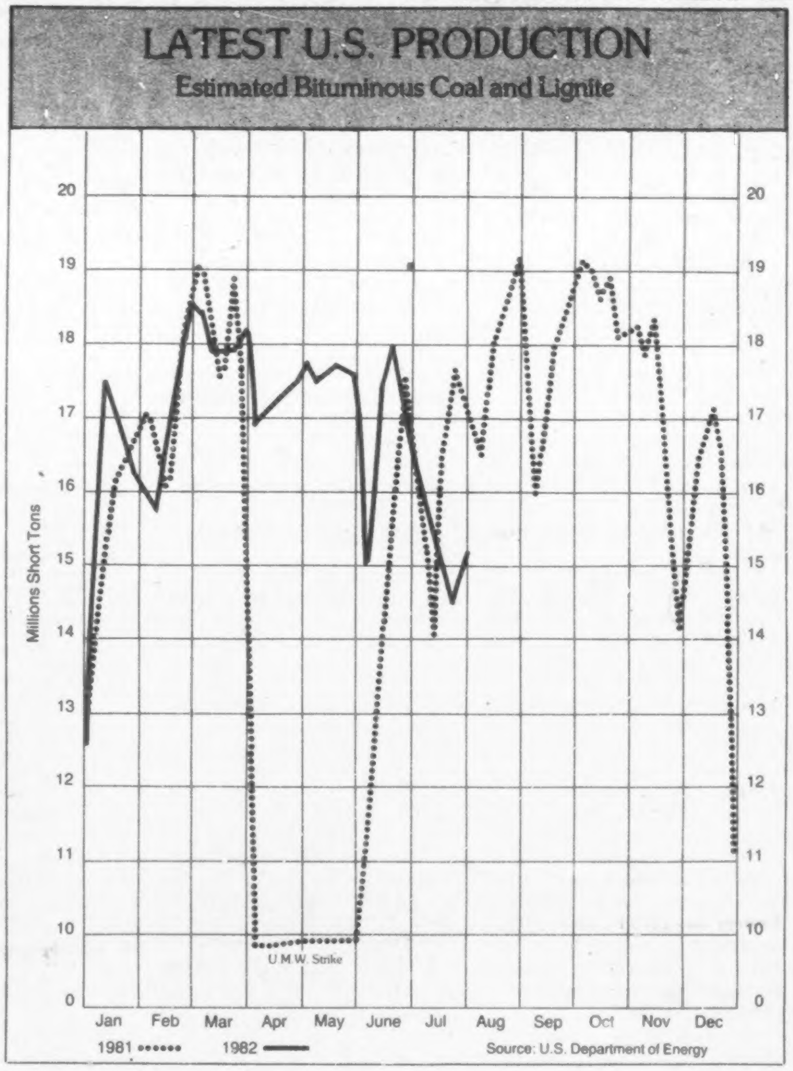
Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

Domestic

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source: U.S. Department of Energy

Bituminous coal and lignite production in the week ended July 31 increased 5.9 percent to 15.288 million short tons. This was below the 17.765 million tons from the corresponding week of a year ago when utilities were building depleted stocks after the United Mine Workers strike. However, total bituminous coal and lignite production from Jan. 1 through July 31 reached 491.038 million tons, 15.7 percent more than during the first seven months of 1981.

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	6/82	5/82	6/81	6/82	5/82	6/81	6/82	5/82	6/81
Bituminous coal, others No. 5213120									
Belgium	177,444	170,529	—	8,904,224	7,914,792	—	50.18	46.41	—
Canada	1,917,754	1,607,327	696,144	96,280,708	82,291,710	32,608,279	50.20	51.19	46.71
China, Taiwan	63,673	92,329	193,547	2,772,646	4,684,820	8,310,901	43.54	50.74	42.94
Denmark	61,269	289,202	393,921	2,056,537	14,584,018	19,646,910	33.56	50.42	49.88
Finland	32,808	—	—	1,488,175	—	—	45.36	—	—
France	504,715	526,551	361,410	22,762,167	24,313,551	15,891,111	45.09	46.17	43.97
Germany, F.R. (West)	131,331	126,000	—	6,947,963	6,452,369	—	52.90	51.20	—
Italy	346,324	271,146	185,457	17,847,740	13,161,845	8,293,546	51.53	48.54	44.72
Japan	314,530	234,479	366,230	14,476,559	12,119,510	17,938,487	46.02	51.68	46.45
Netherlands	253,595	411,456	214,444	13,517,427	20,178,397	59,865	53.30	49.04	35.80
Spain	323,152	163,208	161,172	13,739,857	6,912,126	6,647,834	42.50	42.35	41.25
Total, above	4,126,595	3,892,227	2,594,325	200,794,003	192,613,138	119,531,383	48.65	49.48	46.07
Total, other nations	222,187	180,936	223,671	11,282,574	9,486,686	11,270,731	50.77	52.43	50.39
Total, all nations	**4,348,782**	**4,073,163**	**2,871,996**	**212,076,577**	**202,099,824**	**130,802**	**48.76**	**49.61**	**46.42**
Lignite No. 5213130									
Total, all nations	**8,735**	**11,190**	**2,977**	**553,762**	**738,002**	**532,723**	**63.39**	**65.95**	**178.95**
Coal coke for use as fuel No. 5213148									
Total, all nations	**149,004**	**130,840**	**200,347**	**7,330,428**	**7,424,694**	**12,118,931**	**49.19**	**56.74**	**60.48**
Petroleum coke, except calcined No. 5213150									
Canada	39,838	60,818	—	2,388,666	3,474,275	—	59.95	57.06	—
Japan	166,600	154,008	142,239	8,698,840	7,684,422	7,008,046	52.21	49.89	49.27
Netherlands	133,756	35,053	114,341	7,123,147	2,288,998	5,223,0[illegible]1	53.25	65.30	45.68
Total, above	340,194	249,879	256,580	18,210,653	13,447,695	12,231,067	53.53	53.81	47.67
Total, other nations	461,742	498,876	324,254	21,641,217	23,121,603	15,338,786	46.86	46.34	47.30
Total, all nations	**801,936**	**748,755**	**580,834**	**39,851,870**	**36,569,298**	**27,569,853**	**49.69**	**48.84**	**47.47**
Compositions for fuel No. 5213160									
Total, all nations	**19,096**	**527**	**73**	**652,763**	**75,946**	**9,776**	**34.18**	**144.11**	**133.92**
Anthracite No. 5213170									
Korea Rep. (South)	—	—	247,541	—	—	7,637,414	—	—	30.85
Total, all nations	**44,906**	**41,064**	**283,135**	**4,037,035**	**6,179,829**	**10,066,615**	**89.89**	**67.19**	**35.55**

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
Bituminous coal, low volatile blends to make coke No. 5213110	6/82	5/82	6/81	6/82	5/82	6/81	6/82	5/82	6/81
Belgium	202,050	436,811	1,295,689	12,038,084	24,026,970	78,747,600	59.57	55.00	60.78
Brazil	510,322	170,396	147,502	21,654,699	21,291,035	9,353,227	42.43	124.95	63.41
Canada	971,603	804,644	297,755	61,519,076	50,502,566	17,207,577	63.31	62.76	57.79
France	571,138	238,344	—	27,621,827	13,106,875	—	48.36	54.99	—
Germany, F.R. (West)	—	187,652	114,013	—	9,595,700	7,041,817	—	51.13	61.76
Italy	1,076,370	801,879	563,410	50,961,484	40,611,212	35,390,208	47.34	50.64	62.81
Japan	2,230,469	1,469,290	—	129,332,446	86,742,317	—	57.98	59.03	—
Netherlands	424,647	469,643	—	21,621,827	25,438,787	—	50.91	54.16	—
Spain	371,891	331,821	—	15,246,865	16,364,339	—	40.99	49.31	—
Sweden	202,374	320,389	—	11,772,279	17,279,157	—	58.17	53.93	—
United Kingdom	—	260,956	—	—	16,725,902	—	—	64.09	—
Yugoslavia	73,013	77,830	98,251	4,858,867	4,624,744	5,921,008	66.54	59.42	60.26
Total, above	6,633,877	5,569,655	2,752,866	356,627,454	326,309,604	165,725,452	53.75	58.58	60.20
Total, other nations	474,449	1,045,206	300,826	30,122,774	36,449,925	16,822,722	63.49	34.87	55.92
Total, all nations	**7,108,326**	**6,614,861**	**3,053,692**	**386,750,228**	**362,759,529**	**182,548,174**	**54.40**	**54.84**	**59.78**

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Focus on
TRANSPORTATION
Starts on Page 7

COAL INDUSTRY NEWS
Coal's National Newspaper

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SEPTEMBER 20, 1982 1301 Pennsylvania Ave., N.W., Washington, D.C. 20004 Volume 6, Number 14 $1 a Copy; $24 a Year

NEWS ROUNDUP

Three western railroads won Interstate Commerce Commission permission to **merge into a system that would blanket the western two-thirds of the country** from the Mississippi River to the Pacific Ocean. The Union Pacific and Missouri Pacific Railroads would consolidate and abosorb the smaller Western Pacific, forming a 22,740-mile system that would stretch through 21 states. ICC Chairman Reese Taylor said the commission's written opinion will be released today, and that the merger will become effective 30 days later.

Officials of other rail carriers expressed alarm at the prospect, including Benjamin Biaggini, chairman and chief executive officer of Southern Pacific Co. He said **S.P. will fight the merger in the courts** and that it has already filed a notice with the federal court of appeals in Washington, D.C., to stop it.

* * *

Rio Grande Industries and Consolidation Coal Co. have formed a joint venture **to construct and own approximately 62 miles of railroad** between Acco and Emery, Utah, at an estimated cost of $70 million. Application by Rio Grande's rail subsidiary, The Denver and Rio Grande Western Railroad Co., as operator of the long-term lease, will be filed shortly with the Interstate Commerce Commission.

* * *

A memorandum of understanding between the Intermountain Power Project and Consol, involving supplies for the massive power plant being built near Delta, Utah, **quietly lapsed Aug. 31** because the project will likely being scaled down from four to two units. Negotiations for a new supply agreement will begin "hopefully later this year," a Consol spokesman told *Coal Industry News.*

* * *

Nigeria is ready to form ventures to mine its known coal reserves of more than 350 million tons, according to Ibrahim Hassan, minister for mines and power. He told the Nigerian-American Chamber of Commerce in New York that such ventures would move the country toward its goal of mining 2.5 million tons annually for electric power generation. Nigeria currently mines less than a million tons per year, Hassan noted.

* * *

Consolidated Rail Corp. **reduced its coal carrying rates from West Virginia to Philadelphia export terminals** by 38 to 44 percent, effective Oct. 1. The re-

(Continued on page 2)

Battle for Union Presidency

UMW Election is a Classic Confrontation

By Steve Marcy

THE STRUGGLE for the hearts and minds of the United Mine Workers of America is coming down to a classic confrontation between a grizzled veteran and an upstart union reformer.

Incumbent president Sam Church Jr., 45, pits his experience and a 37 percent wage increase he won for his members in the 1981 labor agreement against Richard Trumka, a miner turned accountant and lawyer.

The 33-year-old Trumka fears the union is about to run aground on financial rocks, has no overall strategy for organizing non-union mines and is pushing neither the administration nor Congress hard enough to develop a comprehensive, coal-based energy policy.

The battleground for the soon-to-intensify struggle will be the shift changes at mine-mouth bath houses and weekend rallies. It will feature cookouts, gladhanding and passing of the hat.

The campaign will intensify in mid-October when Church plans to hit the trail full-time. The smoke clears Nov. 9 — union election day.

Here's how the issues are shaping up:

- The Church campaign says experience counts. The Trumka campaign says the present UMW administration has been lagardly in pushing Congress and the administration for a coal-based energy policy, for deepening of coastal ports to take advantage of the export market, for conversion of some 60 eastern oil and gas-fired utilities to coal, and for government-backed research for synthetic fuels technologies.
- The Church campaign says it has organized 160 new mines during the Church presidency. Trumka says many of those mines employ fewer than 10.
- The Church campaign says Trumka is arrogant and over confident, exemplified by the year he has spent trying to organize a coal mine near Garland, Okla. The Trumka campaign says the effort was not to organize a non-UMW work force, but to convince a coal company to sign the 1981 wage agreement and twist through a thicket of legal proceedings brought on by a change in ownership, factors outside of Trumka's control.

SAM CHURCH JR.
...grizzled veteran

RICHARD TRUMKA
...upstart reformer

If Trumka's energy policies sound a little bit like Jimmy Carter's, then so might his whole campaign. He's dubbed it, "Why not the Best?", the same moniker Carter used on his 1976 autobiography.

Trumka calls it "a coincidence," but notes that most miners probably wish Carter were in the White House today. He says, however, that the past two administrations "have only paid lip service to an energy policy based on coal."

Trumka announced his candidacy in November. The Church forces have portrayed him as campaigning full-time ever since, a perception the Trumka allies try strenuously to counter.

Trumka is employed by the UMW as an International Executive Board member from District 4 in western Pennsylvania, elected by miners in the district but with his responsibilties and tasks assigned by Church. Basically a union troubleshooter, who often handles pension, safety and benefit grievances of the miners, Trumka is so sensitive about the campaigning-on-union-time issue that he refuses interviews during office hours. He scrupulously docks from his lunch period any campaign-related minutes that spill over into the work day.

Busy Off-Hours Schedule

But during his off hours, Trumka makes as many mine visits as he can squeeze into overnight trips to the coal fields, always trying to arrive back at District 4 headquarters in Masontown, Pa., by 9 a.m. Press aide Joe Corcoran expects the sleepless, day-and-night schedule to intensify in coming weeks and says, "I don't know how he (Trumka) is going to do it."

Tack Cornelius, campaign press aide for Church and formerly a reporter for *The Lexington Herald*, expects the Church campaign

(Continued on page 24)

INSIDE

EPA'S "BUBBLE" CONCEPT, which would have encouraged more coal use, was overturned by a federal appeals court judge. **Story on page 2.**

SLURRY PIPELINE PRESSURE is being put on Virginia's congressional delegation from within the state as well as from outside for reasons ranging from a unique state law to the East's two leading private coal rail carriers having their headquarters there. That and other **Reports from our Correspondents on page 3.**

AN IMPRESSIVE CAMPAIGN to encourage greater use of coal within the United States is apparently not getting the support it deserves — a situation that should be remedied at once. **Editorial on page 22.**

Pennsylvania Senate Committee Takes a Look At Proposal to Increase Surface Mining Fee

HARRISBURG, Pa. — Pennsylvania is facing a financial crisis in surface mine reclamation and may lose its newly-gained primacy if it can't meet federal standards in restoring mined surfaces, state Secretary of Environmental Resources Peter Duncan told a Senate subcommittee hearing.

The special subcommittee of the Senate Environmental Resources Committee was probing DER's proposal to increase its $50-per-acre surface mining fee to $150. The fee increase was set to go into effect in June but was delayed pending a legislative review.

Duncan told the legislators that during the first half of 1982 mining operators abandoned 939 acres of scarred land, leaving the state with a $5 million reclamation tab against $1.4 million currently available for the work.

In his testimony Duncan indicated that even the $150-per-acre fee may not meet back-filling requirements, but later he told reporters the fee increase is "the only game in town."

Coal operators, who have gone to court over proposed primacy regulations, claimed they are paying too much now to guarantee backfilling.

John Shirvinsky, president of the Keystone Bituminous Coal Association, told the lawmakers "we've thrown as much money at the problem as we can. We have to look at ways to control the costs."

Shirvinsky suggested that DER could reduce costs by enforcing its concurrent backfilling requirements; making it easier and more profitable for reliable companies to mine and reclaim abandoned sites; and requiring small, new mine operators to put up higher bonds. **— John H. Baer**

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FACTS & FIGURES

	WEEKLY 9/4/82	8/28/82	9/5/81
Production			
Bituminous, recent week	15,217	15,712	18,250
Bituminous, year to date	586,544	515,846	—
Anthracite, recent week	115	119	102
Anthracite, year to date	4,235	3,734	—
Railroad carloadings			
Bituminous, recent week	111,357	114,945	135,194
Bituminous, year to date	3,923,803	3,543,634	—
Anthracite, recent week	141	288	536
Anthracite, year to date	7,256	11,786	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 9/4/82	8/28/82	9/5/81
Production by states, bituminous and lignite			
Eastern			
Alabama	478	493	584
Georgia	—	—	—
Illinois	1,150	1,187	1,484
Indiana	566	584	636
Kentucky:			
Eastern	2,034	2,100	2,701
Western	778	804	1,079
Total, Ky.	2,812	2,904	3,780
Maryland	76	79	88
Ohio	725	749	858
Pennsylvania	1,360	1,424	1,843
Tennessee	177	183	333
Virginia	743	767	1,172
West Virginia	2,264	2,338	2,554
Total, Eastern	10,371	10,706	13,332
Western			
Alaska	14	15	13
Arizona	195	201	219
Arkansas	4	4	9
Colorado	354	365	467
Iowa	11	11	14
Kansas	14	15	18
Missouri	97	100	126
Montana	601	621	639
New Mexico	318	329	289
North Dakota	323	333	326
Oklahoma	99	102	91
Texas	584	603	639
Utah	265	274	159
Washington	92	95	97
Wyoming	1,875	1,936	1,812
Total Western	4,846	5,004	4,918
Total, United States	15,217	15,712	18,250

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 7/82	6/82	7/81
Coal Labor			
All employees			
Coal Mining	232.8	239.7	247.6
Bituminous & Lignite	229.5	236.5	244.1
Production employees			
Coal mining	189.6	196.4	204.3
Bituminous & Lignite	186.7	193.4	201.2
Hours, weekly average			
Coal mining	—	40.0	—
Bituminous & Lignite	—	40.0	—
Earnings, hourly average			
Coal mining	—	12.78	—
Bituminous & Lignite	—	12.82	—
Earnings, weekly average			
Coal mining	508.69	511.20	484.01
Bituminous & Lignite	510.26	512.60	486.01

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 6/82	5/82	6/81
Bituminous and Lignite Consumption			
Electric power utilities	47,330	45,523	49,974
Coal user stocks of coal			
Electric power utilities	172,819	167,805	134,321
Anthracite Consumption			
Electric power utilities	94	98	105
Coal user stocks of coal			
Electric power utilities	5,603	5,569	5,081

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	6/82	5/82	6/81
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Monthly	95,308	93,011	99,837

Price Indexes	MONTHLY 8/82	7/82	5/82
Bituminous Coal and Lignite	104.8	104.5	103.4
Primary Products	104.1	103.9	102.9
Prepared	104.4	104.1	102.9
Steam electric utilities	105.0	104.7	103.4
North Appalachia	104.8	104.0	101.1
Spot	98.9	99.6	98.7
Contract	105.7	104.6	101.4
South Appalachia			
Contract	98.0	98.8	97.8
Midwest	109.4	109.3	108.4
Contract	110.7	110.6	109.6
West	105.9	105.1	104.9
Contract	105.9	105.1	104.9
Metallurgical/coke producer	102.7	102.4	101.3
High volatile	100.8	101.1	101.6
North Appalachia	98.8	99.7	100.5
Contract	98.9	N.A.	100.6
South Appalachia			
Contract	102.0	102.0	102.4
West	100.1	100.0	99.4
Low volatile	105.7	103.6	100.4
North Appalachia			
Contract	103.8	99.7	98.9
South Appalachia			
Contract	107.3	N.A.	101.2
All other industrial	101.8	103.3	100.5
North Appalachia			
Contract	90.0	95.9	95.2
Midwest			
Contract	106.2	106.6	N.A.
Unprepared (raw)	103.1	103.2	102.9
For preparation at other establishments	99.8	N.A.	N.A.
For use without preparation	N.A.	108.2	107.7
Anthracite	153.8	153.8	154.6
Primary products	152.5	152.5	154.2
Prepared anthracite shipped	154.5	154.5	155.3
Stove	151.1	151.3	151.3
Chestnut	150.9	150.9	150.9
Pea	160.3	160.3	163.1
Buckwheat no. 1	149.0	149.0	149.0
Buckwheat no. 2	160.8	160.8	162.9
Buckwheat no. 4	143.9	143.9	147.0
Buckwheat no. 5	112.0	112.0	112.0

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Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

Exports & Imports

	Quantity in short tons 7/82	6/82	7/81	Dollar Value 7/82	6/82	7/81	Avg. Value per short ton 7/82	6/82	7/81
Bituminous coal, low volatile blends to make coke No. 5213110									
Belgium	440,306	202,050	270,759	23,448,243	12,038,084	12,847,197	53.25	59.57	47.44
Brazil	364,123	510,322	223,117	17,328,880	21,654,699	9,131,569	47.59	42.43	40.92
Canada	515,529	971,603	887,254	32,670,593	61,519,076	51,349,310	53.86	63.31	53.89
France	351,564	571,138	531,135	18,938,220	27,621,827	28,627,287	53.86	48.36	53.89
Germany, F.R. (West)	—	—	131,377	—	—	5,901,938	—	—	44.92
Italy	708,007	1,076,370	537,560	36,398,937	50,961,484	24,919,610	51.41	47.34	46.35
Japan	1,914,694	2,230,469	2,165,569	111,855,656	129,332,446	121,766,955	58.41	57.98	56.22
Netherlands	288,146	424,647	618,105	17,129,211	21,621,827	30,797,386	59.44	50.91	49.82
Spain	194,118	371,891	323,261	10,079,947	15,246,865	15,639,437	51.92	40.99	48.38
Sweden	151,737	202,374	221,409	8,299,018	11,772,279	10,376,398	54.69	58.17	46.86
United Kingdom	99,251	—	113,520	5,582,869	—	6,432,865	56.25	—	56.66
Yugoslavia	35,962	73,013	241,687	2,348,988	4,858,867	12,323,237	65.31	66.54	50.98
Total, above	5,063,439	6,633,877	6,264,753	284,080,562	356,627,454	330,113,189	56.10	53.75	52.69
Total, other nations	943,805	474,449	683,777	48,592,123	30,122,774	6,019,395	51.48	63.49	8.80
Total, all nations	6,007,244	7,108,325	6,948,530	332,672,685	386,750,228	366,132,583	55.37	54.84	52.69

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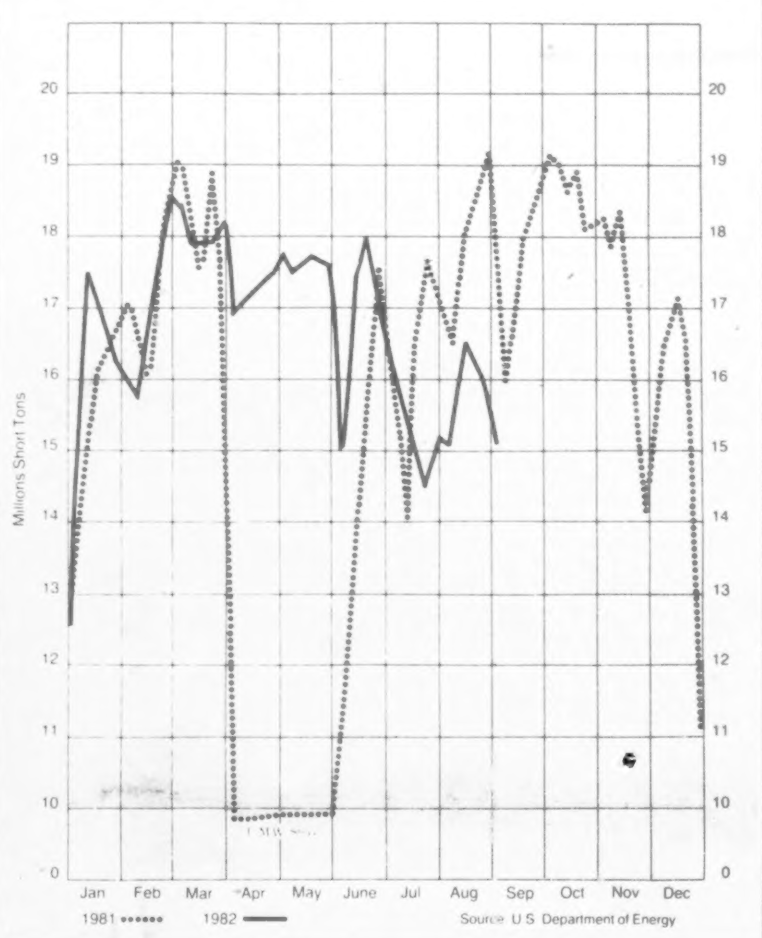
Domestic

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source U.S. Department of Energy

BITUMINOUS COAL AND LIGNITE production for the week ended Sept. 4 was estimated by the Energy Information Administration at 15.217 million short tons. This was a 3.2 percent decrease of 495,000 short tons from the preceding week. Production for the corresponding week last year was 18.250 million short tons. Bituminous and lignite production from Jan. 1 through Sept. 4 totaled 568.544 million short tons, 10.3 percent more than strike-shortened 1981.

	Quantity in short tons 7/82	6/82	7/81	Dollar Value 7/82	6/82	7/81	Avg. Value per short ton 7/82	6/82	7/81
Bituminous coal, others No. 5213120									
Belgium	185,985	177,444	198,074	7,302,695	8,904,224	7,522,700	39.26	50.18	37.97
Canada	1,640,606	1,917,754	1,090,922	83,425,275	96,280,708	51,114,643	50.85	50.20	46.85
China, Taiwan	257,125	63,673	411,270	11,404,364	2,772,646	19,008,903	44.35	43.54	46.22
Denmark	296,062	61,269	101,691	15,058,028	2,056,537	4,933,778	50.86	33.56	48.51
Finland	79,523	32,808	67,351	3,507,667	1,488,175	3,003,949	44.10	45.36	44.60
France	257,702	504,715	484,145	11,724,139	22,762,167	20,450,349	45.49	45.09	42.24
Germany, F.R. (West)	123,123	131,331	198,825	6,870,828	6,947,963	10,135,874	55.80	52.09	21.71
Italy	259,954	346,324	466,832	12,505,621	17,847,740	21,457,500	48.10	51.53	45.96
Japan	144,027	314,530	289,135	7,595,657	14,476,559	14,788,127	52.73	46.02	51.14
Netherlands	261,466	253,595	139,565	12,207,200	13,517,427	8,248,865	46.68	53.30	48.64
Spain	167,018	323,152	291,264	8,329,467	13,739,857	13,014,458	49.87	42.50	44.68
Total, above	3,672,591	4,126,595	3,769,074	179,930,941	200,794,003	17,679,146	48.99	48.65	4.69
Total, other nations	6,307	222,187	396,004	304,502	11,282,574	174,230,329	48.28	50.77	439.97
Total, all nations	3,678,898	4,348,782	4,165,078	180,235,443	212,076,577	191,909,475	48.99	48.76	46.07
Lignite No. 5213130									
Total, all nations	5,022	8,735	18,287	307,966	553,762	1,464,024	61.33	63.39	80.88
Coal coke for use as fuel No. 5213148									
Total, all nations	123,818	149,004	69,306	6,411,373	7,330,428	4,079,308	51.78	49.19	58.85
Petroleum coke, except calcined No. 5213150									
Canada	40,597	39,838	146,490	2,053,250	2,388,666	8,628,171	50.57	59.95	58.89
Japan	101,991	166,600	129,915	4,794,368	8,698,840	6,414,891	47.00	52.21	49.37
Netherlands	160,576	133,756	25,351	8,651,176	7,123,147	1,380,748	53.87	53.25	54.46
Total, above	303,164	340,194	301,756	15,496,794	18,210,653	16,423,810	51.12	53.53	54.42
Total, other nations	476,762	461,742	372,186	18,276,000	21,641,217	16,973,506	38.33	46.86	45.60
Total, all nations	779,926	801,936	673,944	33,774,794	39,851,870	33,397,316	43.30	49.69	49.55
Compositions for fuel No. 5213160									
Total, all nations	63	19,096	495	24,089	652,763	66,202	382.36	34.18	133.74
Anthracite No. 5213170									
Korea Rep. (South)	38,608	—	296,861	1,256,500	—	12,724,669	32.54	—	42.86
Total, all nations	105,697	44,906	332,183	6,696,122	4,037,035	15,085,676	63.35	89.89	45.41

C2350-1 10/13/82

Special Report
LOOKING AT COAL
Starts on Page 9

COAL INDUSTRY NEWS

Coal's National Newspaper

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OCTOBER 11, 1982 1301 Pennsylvania Ave., N.W., Washington, D.C. 20004 **Volume 6, Number 15** **$1 a Copy; $24 a Year**

NEWS ROUNDUP

Signals from Reagan administration officials suggest that **the port dredging log jam could begin to ease.** Energy Secretary James B. Edwards told the American Association of Port Authorities that while ports seeking very deep channels should be governed by rules of the marketplace, the administration might modify its insistence that all federal dredging costs be recovered through user charges levied by port authorities.

Meanwhile, Sen. John Warner, R-Va., said that Office of Management and Budget Director David Stockman told him that **the administration is committed to forging a compromise** on the issue that has effectively delayed 22 separate port dredging bills currently in Congress. Warner said that the compromise could possibly clear the way **for congressional action during the upcoming lame duck session.**

* * *

Northwest Energy Co. **plans to dispose of its coal operations,** officials have confirmed. The Salt Lake City firm, which is primarily involved in natural gas transmission, has already sold its Utah properties and is negotiating for sale of a Colorado underground mine.

* * *

Allis-Chalmers Corp. of Milwaukee has joined a group of Swedish companies organized to **produce and market a coal-water mixture** as a utility and industrial boiler fuel. The new company, Fluidcarbon Sweden A.B., will produce a mixture that "can be pumped over long distances and distri-

(Continued on page 2)

INSIDE

UTAH MINE OPERATORS quickly responded when a state agency suggested enactment of the state's first severance tax, reports Arnold Irvine **on page 2.**

OREGON LIGNITE in the state's northeastern corner has remained untapped because of local opposition. But plans by Utah International and Boise Cascade could change the situation. That and other **Reports from our Correspondents on page 3.**

THE SLURRY BATTLE is being fought hard, with heavyweights from both sides using Virginia as a key arena. Meanwhile, opponents raised the specter of lost rail jobs if a House panel approved slurry legislation. **Stories on pages 6 and 7.**

SPECIAL AMC ISSUE

Probe Finds Billions in Coal Fraud, Thefts

By Gene Smith

NEW YORK — A continuing massive, coordinated multi-state investigation of robbery and fraud in the coal industry has turned up heavy equipment thefts of $1 billion-a-year and suspected tax frauds totalling up to $10 billion.

The probe, involving law enforcement officers from seven Eastern and Midwestern states, has resulted in criminal charges against 69 persons with 20 additional suspects expected to have charges brought soon. It also has resulted in 135 civil actions.

The most recent arrests were of five persons from three states who were charged with organized theft of heavy strip mining and construction equipment in Virginia, Kentucky, Indiana and Pennsylvania.

Investigators hint that organized crime may be involved in the cases being investigated under the Leviticus Project, the code name given to the coordinated investigative team composed of 16 member agencies from the states of Alabama, Georgia, Indiana, Kentucky, New York, Pennsylvania and Virginia.

Matthew T. Crosson, assistant district attorney of New York County, N.Y., who serves as project director/coordinator of the project, said there probably is no effort in law enforcement comparable to Leviticus. He added, "Probably as an industry, coal is affected more by criminal activity than any other capital-intensive industry."

Crosson told *Coal Industry News* that the need for Leviticus stemmed directly from the Arab oil embargo and the resultant boom in coal production that brought with it a dramatic increase in crime affecting the coal industry.

In a report on the project, Crosson noted that "by late 1976, state and local law enforcement agencies throughout the Appalachian region had uncovered a complex pattern of organized criminal activity whose main purpose seemed to be the takeover of coal production companies and their assets."

Cases Referred to IRS

Crosson pointed out that the group refers to the audit division of the Internal Revenue Service fraudulent limited partnership tax shelter tax syndications for follow-up actions and estimated that such referrals have a total investment value of approximately $168 million.

"We're really a mechanism that focuses agencies on problems arising from crime in the coal industry," Crosson explained. "We investigate any kind of coal-related crime, including crimes of violence. For example, we charged two people in southwestern Virginia with a contract murder during the course of a complicated effort to take over a mine."

Basically, the major areas of concentration are in limited partnership tax shelters, theft of heavy equipment, frauds affecting financial institutions and "boiler room" sales of deferred delivery contracts.

Leviticus came into being with the discovery late in 1976 and early in 1977 of this complex pattern of crime involving limited partnership tax shelters in the coal industry in the eastern states. Efforts to get the Department of Justice to take over or coordinate the work of the various state agencies proved fruitless, so alternative funding methods were sought.

Since February 1980, the project has received help from such federal crime-fighting support groups as the Law Enforcement Assistance Administration and the Office of Justice Assistance, Research and Statistics. Most recently, Congress funded it directly to continue operations through 1983.

Coal Fraud Prevalent

The assistant district attorney pointed out that fraudulent coal deals became so prevalent in the '70s that on Dec. 15, 1977, the Securities and Exchange Commission "issued a rare warning to the public about coal deals. The warning was not widely heeded."

He noted further that organized crime has become deeply involved and that set

(Continued on page 8)

Agencies Simplify Self-Rescuer's Inspection

SELF-CONTAINED SELF-RESCUER manufactured by Draegerwek A.G. and sold in this country by National Mine Service Co. has won Mine Safety and Health Administration and National Institute of Occupational Safety and Health approval for simplified 90-day testing. Water immersion and pneumatic pressure tests are no longer required for the unit, designated the Draeger OXY-SR60B. What remains involves only recording the serial number and inspection date beyond the regular daily inspection of rescuer's external parts and a quick look at the color indicator.

AMC Confab to Focus On Recession in Mining

LAS VEGAS — The American Mining Congress opens its 1982 International Mining Show in Las Vegas amid a slack economy that has hit both the minerals and coal extraction industries hard. AMC officials, however, are still expecting 20,000 to attend this year's conference and show.

The seminars and discussion groups boast a full morning's session on the coal industry. Another session features, Ford B. Ford, the Labor Department's assistant secretary for mine safety and health.

The state of the overall mining industry will be presented Wednesday by Robert C. Horton, director of the U.S. Interior Department's Bureau of Mines.

Horton is expected to describe the industry as one in recession for several years, but with reason to look optimistically at the future. The Reagan administration has devised a new strategic materials policy, and much of the industry's debt and capitalization problems are behind it.

Coal-related sessions will address longwall productivity, western coal transportation issues, potential displacement of oil and economic benefits of preparation and cleaning.

Congressional staff members will preview upcoming battles over energy taxes and environmental legislaion.

Coal Industry Is Beginning to Weaken Under Recession

By Gene Smith

UNLIKE the rest of the mining industry, coal isn't exactly dying, although the patient's condition certainly is weakening.

Even the National Coal Association recently was forced to revise drastically downward earlier estimates of just how the industry would fare in this recessionary year.

In March NCA forecast total coal consumption — exports and domestic consumption — of 868 million tons. Now, it estimates total consumption at just 823 million tons, which would be 13 million tons, or 1.6 percent, less than the 1981 level of 836 million tons.

At the same time, NCA now expects total domestic output to reach 837 million tons, a gain of only 22 million tons over 1981 when production was held down by the 72-day strike. The earlier trade association forecast called for output of 880 million tons this year.

NCA also noted slackening demand for coal is accompanied by rising unemployment. In June — the latest period for which official figures are available — 40,000 workers — 16.5 percent of the industry work force — were out of work.

Ahead of 1981

However, the industry still is running slightly ahead of last year's production, although the margin of difference is narrowing with each passing week. Department of Energy statistics placed production of bituminous coal and lignite through September 18 at 597,883,000 tons, while output of Pennsylvania anthracite for the same period reached 4,457,000 tons. These represented gains of 8.7 and 13.6 percent respectively over the like 1981 periods. As recently as July 31, the respective margins were 15.7 and 16.4 percent, directly reflecting the effects of the coal strike.

Nevertheless, there still are some bright spots.

Asked "How's business?", a spokeswoman for Kerr-McGee Coal Corp. replied quickly:

"Good, thank you. We're doing fine, with full production in Wyoming. We're doing better than expected, although net is off against the year ago level.

"Our shipments are up. That's because we're relative newcomers working on long-term contracts that present few labor or transportation problems."

Work on Kerr-McGee's Galatia Mine in Southern Illinois is said to be on schedule and within budget. That underground mine is slated for operation by the end of 1983. It calls for delivery of 2 million tons a year for 20 years to Union Electric, the big Missouri utility.

Kerr-McGee's shipments for the first six months rose to 6.2 million tons from 5.8 million in the first six months of 1981. The company expects to reach 13.6 million tons for the full year against 12.4 million in 1981. Kerr-McGee is the nation's 12th largest coal producer.

Exports Drop

Likewise, the seventh largest producer, Pittston, fared well for the first half, but found that the "export market dropped off precipitously in the eighth month-...worse than expected." A spokesman reported exports "relatively strong for the first half...obviously better because you're comparing this year against last year's strike.

"We sold almost 10.7 million tons against 6.4 million a year ago. Up to that point it had been a good export year for us."

Pittston, which is the largest coal exporter, sees "no real turnaround for the short-term. Certainly, there's nothing encouraging into the beginning of next year."

The Pittston spokesman didn't believe that any governmental actions would help, stating that "it's totally a function of the economy and you've got to remember that coal traditionally runs behind the cycle of recovery.

"That'll be especially true this time in light of the status of the utilities and the steel industry and their stockpiles," the Pittston executive added.

Replying to that same question about business conditions, R.E. "Gene" Samples, new president of Arch Mineral Corp., replied:

"It's been better in terms of capacity and the ability to burn coal, but there'll still be more coal burned this year than in any year in the past."

Samples, who retired unexpectedly on Aug. 31 as chairman and chief executive of Consolidation Coal, described this as "an off-peak year when inventories have to be burned off" and noted that there still is a negative load growth in many industries that burn coal.

However, he was quick to say that "any new generating capacity or heat using facility that will be built in the future is going to be coal-fired. It's not going to be nuclear, or even gas or oil, it's going to be coal."

Samples indicated that the only hope for the economy would be "a general turnaround in the consumption of goods. I see no bright spots short-term...even beyond the first quarter of next year. There may be some undercurrents, but there are no real strong signs of any real turnaround that I can see from here."

Exxon Coal U.S.A., whose 13.9 million-ton output in 1981 ranked it ninth among domestic coal companies, indicated that it "subscribes to the latest NCA figures."

Exxon Coal operates five mines — two surface mines in Wyoming and three underground mines, two in Illinois and one in West Virginia. A spokesman said all three are working at present. It has huge reserves and the spokesman noted quickly that "we don't know when we'll set appropriations for any new mine, but we'd be more than willing to start one if you know of any customers."

The nation's fourth largest coal producer — Texas Utilities Co. — doesn't have to look for customers. It burns all the lignite it can produce from three mines 90 to 180 miles south and East of Dallas. In 1981 it mined a record 27.8 million tons, up from 27 million tons a year earlier.

Steve Blankenship, lignite coordinator, said operations have been "at a fairly level rate for the past couple of years" since the utility has not added any new coal-fired

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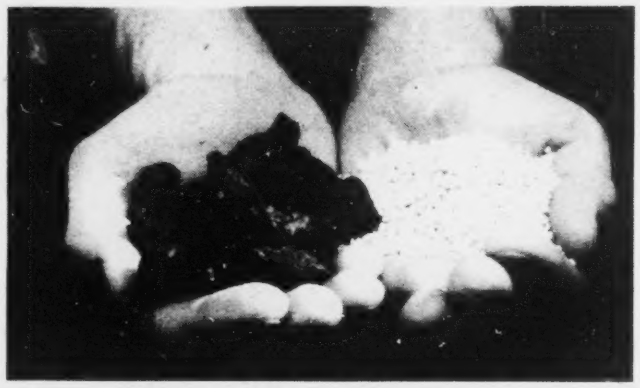
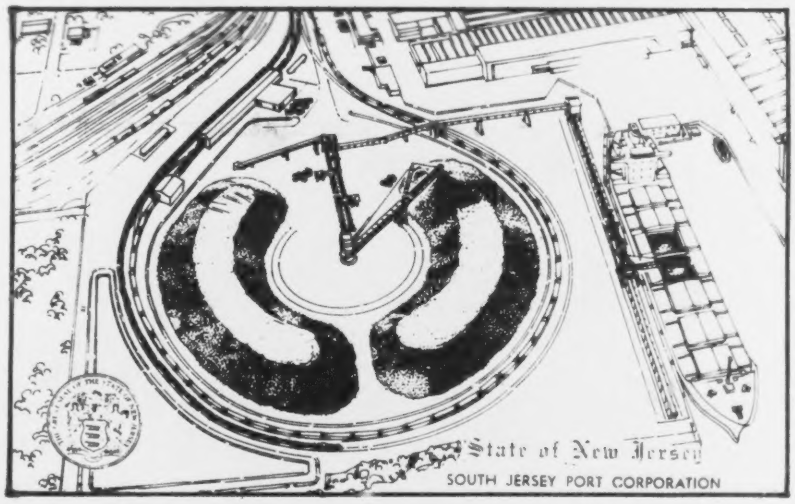


On the Cover

GENERAL ELECTRIC researchers hold the future of coal in their hands — the ability to burn it cleanly without expensive smokestack desulfurization units. The coal and limestone pellets shown on the cover are burned together on a bed of fluid air, eliminating sulfur dioxide emissions. Fluidized bed combustors have the potential of making coal more attractive to utilities still burning oil as well as open up the industrial markets. GE is one of the companies that has experimented with this new technology.

A REQUEST FOR LETTERS OF INTEREST FROM DEVELOPERS.



PROPOSED CAMDEN COAL EXPORT TERMINAL

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SJPC requests Letters of Interest now from all developers or users. Letters of Interest should include: annual report, description of firm and its subsidiaries, the firm's strength and what role it would take as a principal or joint venture partner in developing a coal port.

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LOOKING AT COAL

Production Won't Meet Forecasts in '82, Experts Say

(Continued from page 11)

generating units and none are planned for the next three or four years. Coal accounts for 53 percent of the electricity Texas Utilities sells.

As might be expected, the utility's load growth runs higher than the national average. It forecast a 4.5 percent growth for this year based on normal weather conditions. However, peak demand has run a little slower than the Summer of 1981 when the region was hit with record-breaking summer temperatures.

Charles McArthur, senior vice president-domestic mining at Utah International, said his company expects to mine about the same tonnage as it did in 1981 when it produced 13.2 million tons. That compared with 10.5 million tons in 1980 after inclusion of its new San Juan mine in New Mexico which produced 4.1 million tons.

Asked to sum up operations, McArthur replied: "Our Western operations are doing well because they're mine mouth power plant suppliers, but we're having problems in the east because of the very low industry activity both there and in Europe." The company had expected improved production in its Eastern operations where it has both open pit and underground mines in Eastern Kentucky.

No Recovery Seen

"That's levelled off now," the Utah International executive said, adding; "I don't see any signs of a recovery anywhere. No one rings a bell when the market turns around."

Richard M. Holsten, Jr., president of Pittsburg and Midway Coal Mining Co., is another for whom the downturn hasn't been a major factor.

"We expect to mine 14.5 to 15 million tons this year against the 11.7 million to 1982," he said. "That's because we'll have full year's operation from the two mines we acquired over a year ago."

Pittsburg and Midway is owned by Gulf Oil and ranked fourteenth in terms of 1981 production. It has mines in Western Kentucky, Missouri, Kansas, Wyoming, Colorado, New Mexico and Alabama.

Holsten described the present market as "a mixed bag. You're curtailed if you've got industrial customers, it's really not bad. We've had some export coal in the West, but that's very flat right now."

Consolidation Coal, the nation's second largest producer, acknowledged that "business is slow against a year ago, although it's hard to make accurate comparisons because of the strike. However, we're slightly below where we expected to be at this time."

A spokesman noted that recently there has been "unexpected competition" from the captive coal mines of the steel companies which are trying to move some of their unused production into both domestic and export markets.

The Consolidation spokesman added that the overall problem is the weakness of the economy and that any turnaround for coal will not be felt "until three to six months after the economy itself picks up."

The company announced cutbacks and layoffs affecting almost 1,200 miners in West Virginia and Ohio at the end of September. "Poor market conditions" were cited as the reason for cutbacks five mines in those regions.

Eustace Frederick, senior vice president-mining-South Appalachia region, who announced the "idling for an indenfinite period" of the Bishop Mine in McDowell County, W.Va., said; "The situation is subject to change depending upon market conditions in the fourth quarter." The shutdown of that metallurgical coal mine affects 501 miners.

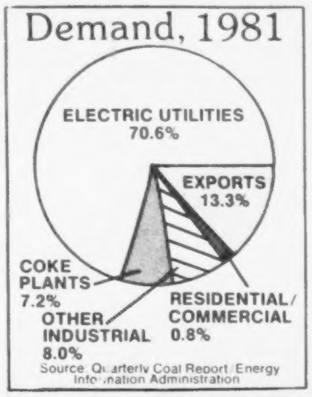
Probably the fastest growing major coal producer is NERCO, the coal subsidiary of Pacific Power and Light Co. of Portland, Ore. Its 1981 output of 20.4 million tons ran 40 percent ahead of the 1980 level' of 14.6 million tons. This boosted NERCO from 15th to fifth largest producer, largely because it had the benefit of a full year's production from its Spring Creek Mine near Decker, Mont.

Gerard K. Drummond, NERCO president, acknowled that "in general, business is down for us so far this year, but our outlook is cautiously optimistic over the long-term." He explained that there were several factors that adversely affected the West, in addition to the overall slump.

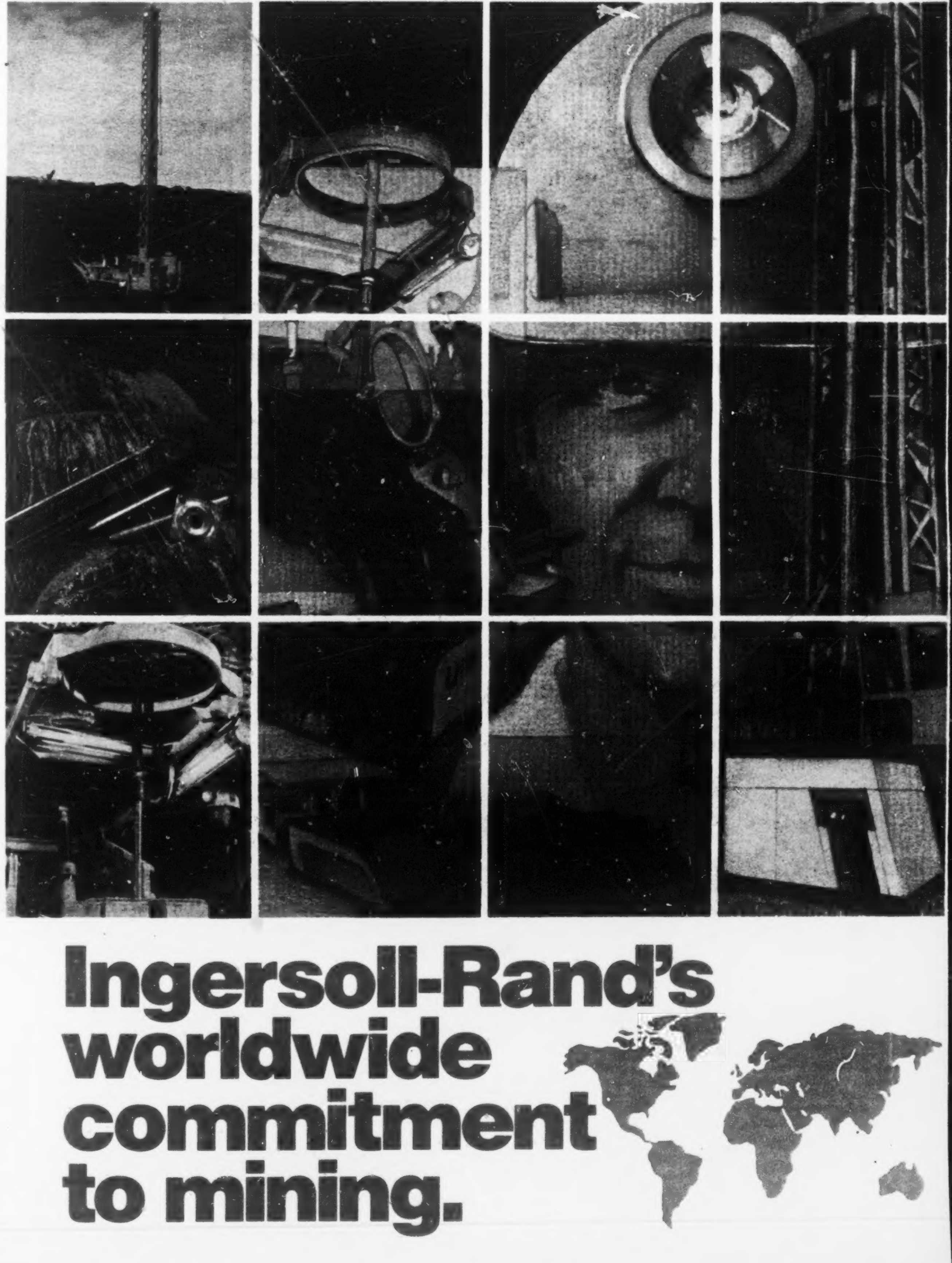
Conservation Hits

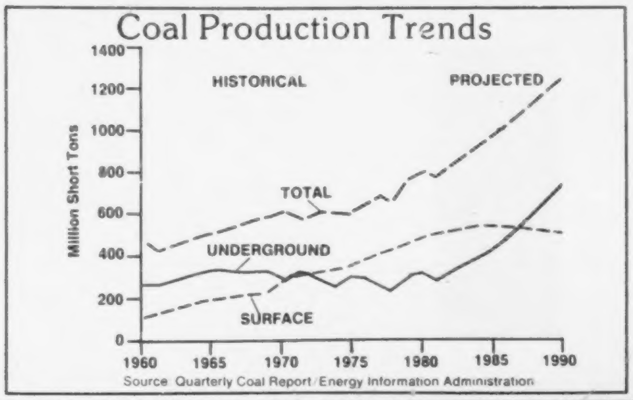
"One factor has been an abundance of hydroelectric power in the Northwest because of the high run off the Columbia River Basin,"

(Continued on page 13)



Source: Quarterly Coal Report/Energy Information Administration





Source Quarterly Coal Report/Energy Information Administration

Companies Paring Consumption Estimates

(Continued from page 12)

Drummond said. "Energy conservation is another. These factors have been compounded by the sluggish economy.

"In the East, the worldwide recession has had a strong effect on our short-term sales, especially in the spot market."

The NERCO chief exeuctive said that production for the first six months was down 36 percent from last year's total of 20.4 million tons. But he was quick to add that most of the cutback was due to reduced coal shipments from a Western mine.

Drummond feels strongly that the location of most of NERCO's western mines in the Powder River Basin provides the company with certain market advantages, particularly in light of the company's view of real surplus capacity.

"If you look at surplus capacity as all announced capacity and committed tonnage, it appears there will be a significant coal surplus of 166 million tons by 1990. However, an entirely different picture emerges when taking productive capacity from existing mines and new mines only if they have contracts. Under this assumption, surplus capacity accounts for about 83 million tons in 1990. Under this scenario, market conditions could turn around by 1987 or 1988."

Drummond said NERCO looks for the utility load growth in its market to be at an annual 2.5 percent level, while Pacific Rim demand should also improve by 1990.

"As the market for Powder River Basin coal becomes more supply-constrained, prices will go up accordingly," he added.

The NERCO president bases his continuing long-term optimism on a variety of factors peculiar to the region, saying:

"In the West, action on transportation issues and port dredging could improve prospects for the Powder River Basin producer. Rail mergers will help by providing an expanded rail network which would stimulate competitive rail rates. Transportation alternatives, such as slurry pipelines, could also prove beneficial.

"Another issue which could renew markets is revision of the Clean Air Act. Eliminating the percentage reduction requirement in the Act makes good sense economically and environmentally and would allow domestic utilities to use Powder River Basin coal without expensive scrubbers.

"And finally, fuel technology developments such as coal/oil and coal/water mixtures will enhance markets prospects for both East and West producers. Coal drying and coal beldming will also help get the industry back on a good footing."

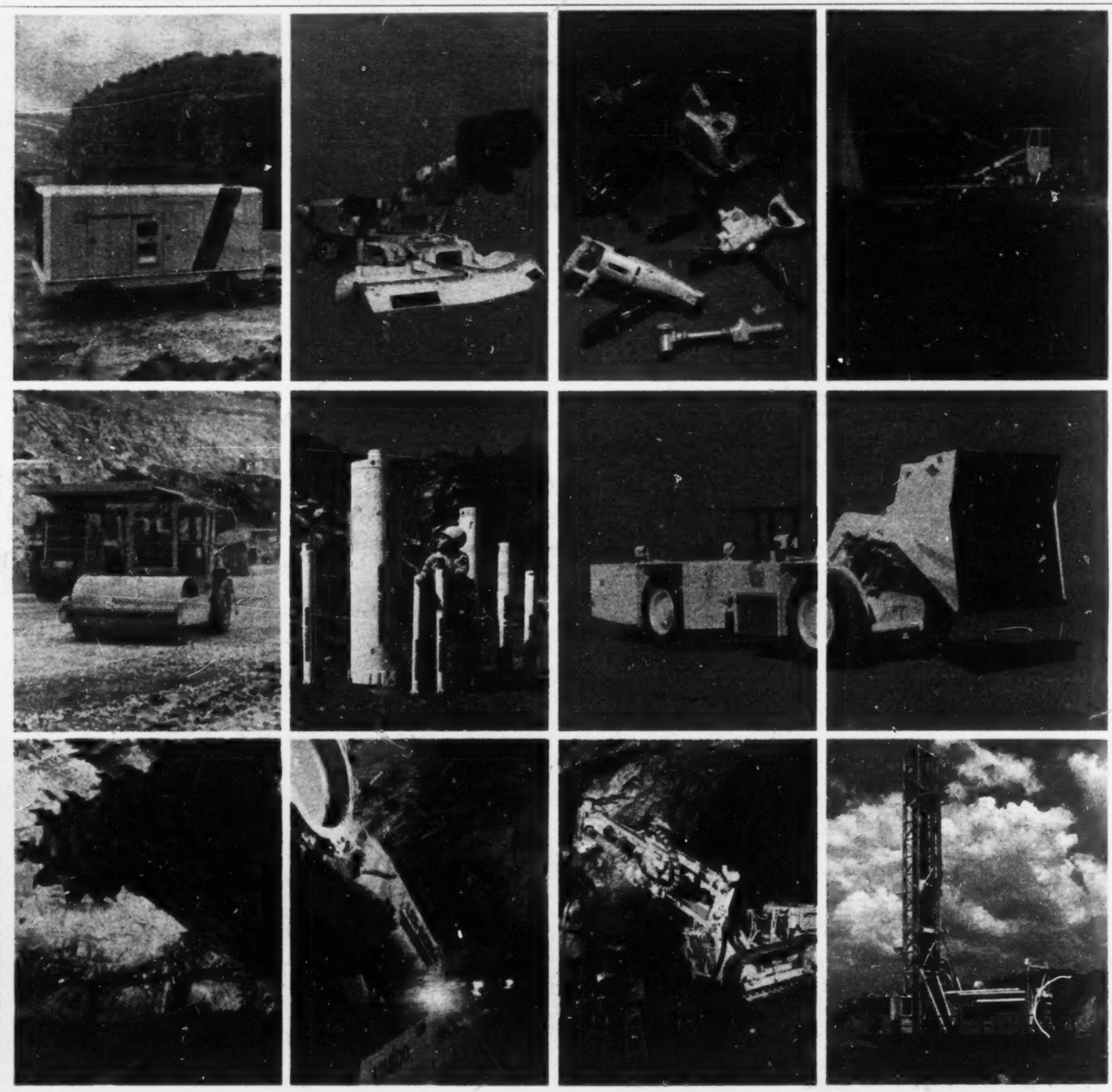
While observers bemoan the huge coal stockpiles at power plants — an average of 96 days supply in August against 81 days a year earlier, the question of conversions from oil to coal appears somewhat clouded. *Electric Light and Power* magazine reported recently that seven utilities have completed such conversions and an additional 13 "either are planning such conversions or are in the process of considering oil-to-coal conversions."

The magazine said utilities considered the break-even point for the oil-coal price gap at about $6 to $9 a barrel. Although the gap has been as high as $18 in coal's favor in recent months.

This has prompted Rep. Harold Rogers (R.-Ky.) to undertake a survey of electric utilities to find out why more haven't converted.

"Despite our conservation efforts, we've only managed to reduce our oil imports by 300,000 barrels a day," Rogers said. "During the previous administration, 107 utility plants were identified as being capable of converting from high-priced fuels like imported oil to American coal for generating electricity. Yet, only two have since converted."

The Kentucky Congressman said that if the others were to convert, "we could save another 300,000 barrels a day (which) could then translate into 40-million additional tons of coal and could lead to putting up to 10,000 miners back on the job."



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FACTS & FIGURES

Domestic

	WEEKLY		
	9/25/82	9/18/82	9/26/81
Production			
Bituminous, recent week	11,292	15,462	19,255
Bituminous, year to date	**609,175**	**569,416**	—
Anthracite, recent week	105	117	85
Anthracite, year to date	**4,562**	**4,007**	—
Railroad carloadings			
Bituminous, recent week	82,895	113,151	137,561
Bituminous, year to date	**4,221,198**	**3,934,248**	—
Anthracite, recent week	289	215	357
Anthracite, year to date	**7,841**	**13,098**	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY		
	9/25/82	9/18/82	9/26/81
Production by states, bituminous and lignite			
Eastern			
Alabama	355	485	688
Georgia	—	—	—
Illinois	855	1,210	1,645
Indiana	421	700	620
Kentucky:			
Eastern	1,492	2,145	2,801
Western	578	791	1,090
Total, Ky.	**2,070**	**2,936**	**3,891**
Maryland	57	77	97
Ohio	539	737	675
Pennsylvania	1,025	1,402	2,276
Tennessee	131	180	358
Virginia	552	740	1,192
West Virginia	1,683	2,015	2,634
Total, Eastern	**7,688**	**10,482**	**14,076**
Western			
Alaska	11	15	16
Arizona	145	210	240
Arkansas	3	4	11
Colorado	263	375	459
Iowa	8	9	14
Kansas	11	14	3
Missouri	72	99	123
Montana	447	640	920
New Mexico	237	324	317
North Dakota	240	328	319
Oklahoma	74	101	40
Texas	434	593	605
Utah	197	270	158
Washington	68	93	105
Wyoming	1,394	1,905	1,849
Total Western	**3,604**	**4,980**	**5,179**
Total, United States	**11,292**	**15,462**	**19,255**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY		
	7/82	6/82	7/81
Coal Labor			
All employees			
Coal Mining	232.8	239.7	247.6
Bituminous & Lignite	229.5	236.5	244.1
Production employees			
Coal mining	189.6	196.4	204.3
Bituminous & Lignite	186.7	193.4	201.2
Hours, weekly average			
Coal mining	—	40.0	—
Bituminous & Lignite	—	40.0	—
Earnings, hourly average			
Coal mining	—	12.78	—
Bituminous & Lignite	—	12.82	—
Earnings, weekly average			
Coal mining	508.69	511.20	484.01
Bituminous & Lignite	510.26	512.80	486.01

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY		
	6/82	5/82	6/81
Bituminous and Lignite Consumption			
Electric power utilities	47,330	45,523	49,974
Coal user stocks of coal			
Electric power utilities	172,819	167,805	134,321
Anthracite Consumption			
Electric power utilities	94	98	105
Coal user stocks of coal			
Electric power utilities	5,603	5,569	5,081

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	6/82	5/82	6/81
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Monthly	95,306	93,011	99,837

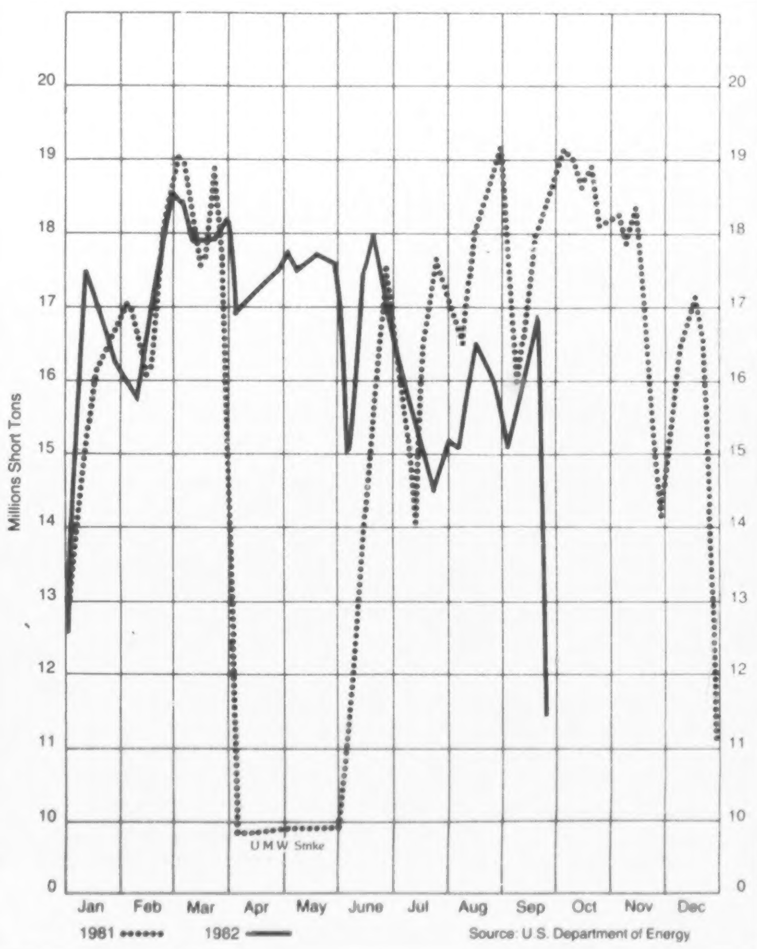
	MONTHLY		
Price Indexes			
	8/82	**7/82**	**5/82**
Bituminous Coal and Lignite	104.8	104.5	103.4
Primary Products	104.1	103.9	102.9
Prepared	104.4	104.1	102.9
Steam electric utilities	105.0	104.7	103.4
North Appalachia	104.8	104.0	101.1
Spot	98.9	99.6	98.7
Contract	105.7	104.6	101.4
South Appalachia			
Contract	98.0	98.8	97.8
Midwest	109.4	109.3	108.4
Contract	110.7	110.6	109.6
West	105.9	105.1	104.9
Contract	105.9	105.1	104.9
Metallurgical/coke producer	102.7	102.4	101.3
High volatile	100.8	101.1	101.6
North Appalachia	98.8	99.7	100.5
Contract	98.9	N.A.	100.6
South Appalachia			
Contract	102.0	102.0	102.4
West	100.1	100.0	99.4
Low volatile	105.7	103.6	100.4
North Appalachia			
Contract	103.8	99.7	98.9
South Appalachia			
Contract	107.3	N.A.	101.2
All other industrial	101.8	103.3	100.5
North Appalachia			
Contract	90.0	95.9	95.2
Midwest			
Contract	106.2	106.6	N.A.
Unprepared (raw)	103.1	103.2	102.9
For preparation at other establishments	99.8	N.A.	N.A.
For use without preparation	N.A.	108.2	107.7
Anthracite	153.8	153.8	154.6
Primary products	152.5	152.5	154.2
Prepared anthracite shipped	154.5	154.5	155.3
Stove	151.1	151.3	151.3
Chestnut	150.9	150.9	150.9
Pea	160.3	160.3	163.1
Buckwheat no. 1	149.0	149.0	149.0
Buckwheat no. 2	160.8	160.8	162.9
Buckwheat no. 4	143.9	143.9	147.0
Buckwheat no. 5	112.0	112.0	112.0

N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.
Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source: U.S. Department of Energy

BITUMINOUS AND LIGNITE production for the week of Sept. 25 dropped 4.17 million short tons from the previous week to 11.29 million tons, a 27 percent decrease. The Energy Department's Energy Information Administration gave as the reason the three-day strike of the locomotive engineers. Production in the same week during 1981 reached 19.255 million tons. Production year to date totaled 609.175 million tons, a 7 percent increase from 1981.

Exports & Imports

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
Bituminous coal, low volatile blends to make coke No. 5213110	7/82	6/82	7/81	7/82	6/82	7/81	7/82	6/82	7/81
Belgium	440,308	202,050	270,759	23,448,243	12,038,084	12,847,197	53.25	59.57	47.44
Brazil	364,123	510,322	223,117	17,328,880	21,654,699	9,131,569	47.59	42.43	40.92
Canada	515,529	971,603	887,254	32,670,593	61,519,076	51,349,310	53.86	63.31	53.89
France	351,564	571,136	531,135	18,938,220	27,621,827	28,627,287	53.86	48.36	53.89
Germany, F.R. (West)	—	—	131,377	—	—	5,901,938	—	—	44.92
Italy	708,007	1,076,370	537,560	36,398,937	50,961,484	24,919,610	51.41	47.34	46.35
Japan	1,914,694	2,230,469	2,165,569	111,855,656	129,332,446	121,766,955	58.41	57.98	56.22
Netherlands	288,146	424,647	618,105	17,129,211	21,621,827	30,797,386	59.44	50.91	49.82
Spain	194,118	371,891	323,261	10,079,947	15,246,865	15,639,437	51.92	40.99	48.38
Sweden	151,737	202,374	221,409	8,299,018	11,772,279	10,376,398	54.69	58.17	46.86
United Kingdom	99,251	—	113,520	5,582,869	—	6,432,865	56.25	—	56.66
Yugoslavia	35,962	73,013	241,687	2,348,988	4,858,867	12,323,237	65.31	66.54	50.98
Total, above	5,063,439	6,633,877	6,264,753	284,080,562	356,627,454	330,113,189	56.10	53.75	52.69
Total, other nations	943,805	474,449	683,777	48,592,123	30,122,774	6,019,395	51.48	63.49	8.80
Total, all nations	**6,007,244**	**7,108,326**	**6,948,530**	**332,672,685**	**386,750,228**	**366,132,583**	**55.37**	**54.84**	**52.69**

	Quantity in short tons			Dollar Value			Avg. Value per short ton		
	7/82	6/82	7/81	7/82	6/82	7/81	7/82	6/82	7/81
Bituminous coal, others No. 5213120									
Belgium	185,965	177,444	198,074	7,302,695	8,904,224	7,522,700	39.26	50.18	37.97
Canada	1,640,606	1,917,754	1,090,922	83,425,275	96,280,708	51,114,643	50.85	50.20	46.85
China, Taiwan	257,125	63,673	411,270	11,404,364	2,772,646	19,008,903	44.35	43.54	46.22
Denmark	296,062	61,269	101,691	15,058,028	2,056,537	4,933,778	50.86	33.56	48.51
Finland	79,523	32,808	67,351	3,507,667	1,488,175	3,003,949	44.10	45.36	44.60
France	257,702	504,715	484,145	11,724,139	22,762,167	20,450,349	45.49	45.09	42.24
Germany, F.R. (West)	123,123	131,331	198,825	6,870,828	6,947,963	10,135,874	55.80	52.09	21.71
Italy	259,954	346,324	466,832	12,505,621	17,847,740	21,457,500	48.10	51.53	45.96
Japan	144,027	314,530	289,135	7,595,657	14,476,559	14,788,127	52.73	46.02	51.14
Netherlands	261,466	253,596	169,565	12,207,200	13,517,427	8,248,865	46.68	53.30	48.64
Spain	167,018	323,152	291,264	8,329,467	13,739,857	13,014,458	49.87	42.50	44.68
Total, above	3,672,591	4,126,595	3,769,074	179,930,941	200,794,003	17,679,146	48.99	48.65	4.69
Total, other nations	6,307	222,187	396,004	304,502	11,282,574	174,230,329	48.28	50.77	439.97
Total, all nations	**3,678,898**	**4,348,782**	**4,165,078**	**180,235,443**	**212,076,577**	**191,909,475**	**48.99**	**48.76**	**46.07**
Lignite No. 5213130									
Total, all nations	**5,022**	**8,735**	**16,207**	**307,966**	**553,762**	**1,464,024**	**61.33**	**63.39**	**89.88**
Coal coke for use as fuel No. 5213148									
Total, all nations	**123,818**	**149,004**	**69,306**	**6,411,373**	**7,330,428**	**4,079,308**	**51.78**	**49.19**	**58.85**
Petroleum coke, except calcined No. 5213150									
Canada	40,597	39,838	146,490	2,053,250	2,388,666	8,628,171	50.57	59.95	58.89
Japan	101,991	166,600	129,915	4,794,368	8,698,840	6,414,891	47.00	52.21	49.37
Netherlands	160,576	133,756	25,351	8,651,176	7,123,147	1,380,748	53.87	53.25	54.46
Total, above	303,164	340,194	301,756	15,498,794	18,210,653	16,423,810	51.12	53.53	54.42
Total, other nations	476,762	461,742	372,188	18,276,000	21,641,217	16,973,506	38.33	46.86	45.60
Total, all nations	**779,926**	**801,936**	**673,944**	**33,774,794**	**39,851,870**	**33,397,316**	**43.30**	**49.69**	**49.55**
Compositions for fuel No. 5213160									
Total, all nations	**63**	**19,096**	**495**	**24,089**	**652,763**	**66,202**	**382.36**	**34.18**	**133.74**
Anthracite No. 5213170									
Korea Rep. (South)	38,608	—	296,861	1,256,500	—	12,724,669	32.54	—	42.86
Total, all nations	**105,697**	**44,906**	**332,183**	**6,696,122**	**4,037,035**	**15,085,676**	**63.35**	**89.89**	**45.41**

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COAL INDUSTRY NEWS

Coal's National Newspaper

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NEWS ROUNDUP

Despite indications that demand remains soft, **U.S. port expansion is briskly proceeding.** A trial run of one of the most sophisticated terminals ever built — A.T. Massey Coal Co.'s in Newport News, Va. — is scheduled for the end of this year, with the $122 million terminal scheduled to begin operation in April 1983. Massey and five other companies are also continuing plans for a $250 million terminal in Portsmouth, pledging more than $8 million for preconstruction environmental and engineering studies.

* * *

Ebasco Services Inc. announced plans for **a multi-billion dollar gasification and methanol complex in Panama** to convert midwestern U.S. coal into alternative fuels for Far East customers. The venture is the first of its kind for private developers in the international alternative fuels market. Scheduled for 1990 completion, the complex will cost an estimated $4.5 billion.

* * *

Wheelabrator-Frye Inc. and The Garrett Corp. have formed GWF Power Systems Co. to **design, build, own and operate small-to-medium-sized power plants.** The three to 50-megawatt facilities are aimed at a rapidly developing market resulting from utilities' restricted ability to build enough large power plants to meet electrical shortfalls expected in the 1980s and beyond, officials say.

* * *

Texas Energy Services Inc. **doubled its previously rejected bid** on a 445 million-ton federal coal reserve in Wyoming. The company's original $11.1 mil-

(Continued on page 2)

INSIDE

A NEW POLYMER — high property urethane elastomers (HPUEs) — from Mobay Chemical Corp. offers real potential for solving stickage, abrasion and corrosion problems, the company says. **Strategies on page 5.**

WORLD COAL USE could dramatically increase, but only if electricity plays a bigger role, predicts the International Energy Agency. **Story on page 6, Editorial on page 10.**

FEDERAL INSPECTORS have re-assumed enforcement in Virginia, and residents from mine operators to environmentalists are angry. **Story on back page.**

More Technology, Fewer Jobs

Recession May Force Industry Realignment

By Steve Marcy

WASHINGTON — A recovering U.S. economy will eventually hoist coal demand up with it — but not before the recession runs so deep for so long that jobs are permanently lost and the industry is restructured.

Some observers look for a shakeout as drastic as the late 1940s and 1950s when the railroads swithced from steam to diesel-electric locomotives. That caused Appalachian coal mine employment to slip from about 500,000 to today's 150,000.

Others, including the United Mine Workers of America, see the prospect of job losses less bleakly. "We're concerned about it, but we don't subscribe to its inevitability," one UMW source told *Coal Industry News.*

Coal field unemployment stood at 22.7 percent in the quarter for July, August and September, according to the Bureau of Labor Statistics.

A further unemployment indicator, another observer says, is the number of self-contained self rescuers the Mine Safety and Health Administration has ordered the mines to have on hand. He notes the agency is requiring only 80,000 units when 115,000 units would be a more normal number to cover all underground workers.

Same Tough Decision

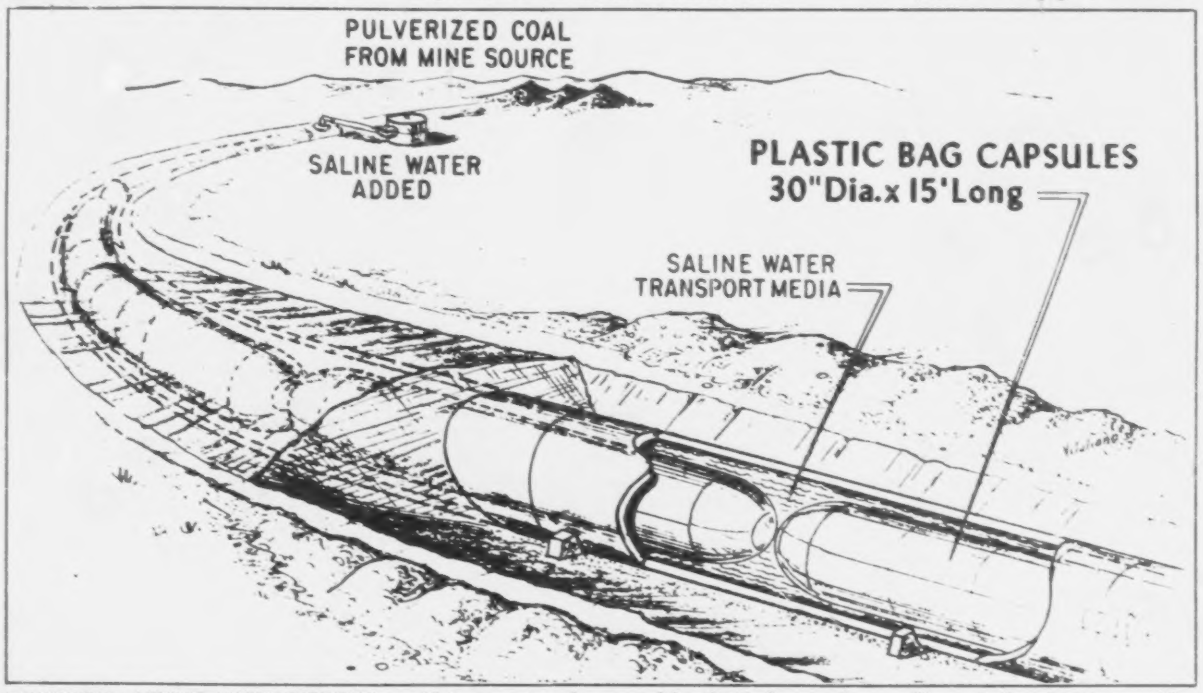
Facing the UMW in the middle of this decade, coal field lawyers and Wall Street analysts say, could be the same tough decision that faced its legendary president, John L. Lewis, after World War II: whether to negotiate for job security and spread the available wage pie among as many miners as possible, or ensure that a smaller number earn a decent wage. Lewis chose the latter.

It "decimated the region," recalls Davitt McAteer, a lawyer for the Center on Law and Public Policy, a law firm that has represented retired and disabled miners and their widows.

It was also the only real choice Lewis had, McAteer asserts. The other option was the course the British industry chose, which led to its near collapse.

A similar choice confronts the UMW today, but it derives more from the need to keep the U.S. coal industry competitive in a strong international market than it does from an imminent loss of business. Honing a competitive edge will likely require heavy new investment in job-displacing

(Continued on page 4)



PROPOSED AQUATRAIN PIPELINE would transport coal wrapped in plastic bags using a saline solution. Project could potentially provide economical means of transport to West Coast ports while helping reduce salinity in the Colorado River.

Interior, Grace Evaluate New Transportation Scheme

WASHINGTON — Mineral waters near Glenwood Springs, Colo., could also cure an ailing segment of the western coal industry.

The Interior Department and W.R. Grace and Co. are investigating the feasibility of diverting 12,500 acre feet of saline water from the springs — a river tributary — to transport encapsulated coal to West Coast utilities and export points, then replenishing the draw-off with fresh water from supplies owned by Grace.

More than enough mineral water would remain for the region spa resorts.

The project could simultaneously alleviate two problems: inadequate transportation for northern Colorado's rich coal supplies and the salinity of the Colorado River. Federal law requires Interior to remove 2.8 million tons from the river by 2000. Using the 12,500 acre feet from Glenwood Springs to transport 10 million to 15 million tons of coal in 15-foot-long plastic bags could achieve 10 percent of that requirement.

Technical obstacles are possibly formidable and perhaps unknown — the largest plastic capsule moved so far has been a 10-inch long bag in experimental pipes at an Alberta research project.

Willing to Study Idea

But the federal agency is willing to invest $600,000 initially (of the $5 million earmarked for studying Colorado River desalination options) to look into the scheme.

The study is part of a memorandum of understanding to be signed between Interior and Aquatrain Inc., the W.R. Grace subsidiary that intends to recruit joint-venture partners, build and operate the pipeline.

Robert N. Broadbent, with the department's Bureau of Reclamation, said Interior will complete an exhaustive environmental impact statement costing close to $5 million and decide which of the four proposed routes — to northern California, southern California, the Gulf of California or the Gulf of Mexico — least damages the public lines the pipeline must cross.

Target construction date is between 1985 and 1987.

All this requires congressional authorization. Although no detailed administration plan has been sent to Capitol Hill, Broadbent says, "We've been talking to them quite a bit and they have a pretty good idea of what we're doing." He hopes authorization for the impact study can yet emerge in this Congress, which reconvenes Nov. 29 for a lame-duck session.

Possible Commitment

Interior's total commitment could lead to between a 5 percent and 10 percent equity

(Continued on page 4)

Coal Field Joblessness May Create Hardest Choices in Decades

(Continued from page 1)

mine technology.

Wall Street analyst Osman Eralp, who follows coal for Bache Halsey Stuart Shields, notes that the U.S. industry is one "with structural oversupply built into it." What has saved it so far and can continue to do so is its pre-eminent ability to use new technology, he maintains. "The U.S. must remain price-competitive in order to compete in the most important coal market — Europe, the one place where there will be incremental growth," Eralp says.

Retraining Key Element

Retraining miners for new industries is the only way to keep the entire Appalachian region economically viable, provided the mistakes of the Appalachian Regional Commission, set up by the Kennedy Administration in the early 1960s, are not repeated, Eralp says.

"(Retraining) must come from the bottom up, not the top down," Eralp says. "This is a resource-based industry in which you cannot transfer skills like you can from factory to factory — they are unique to it."

The ready transferance of mining skills to manufacturing and other industries was one of the mistaken assumptions that helped render the commission far less effective than the goals originally set out for it, the Bache analyst indicates.

"Look at coal industries around the world," Eralp challenges, "and you'll discover a much higher percentage of the employees in training programs of all types.

"The first thing is the training of labor, and subsequently the jobs came looking for the workers."

Lewis demanded during World War II, when the government ran the mines, a per-ton tax on coal to fund a health and benefits fund. Coal's dominance in the energy marketplace and in steelmaking ensured his war-time demands were met.

Suggests Similar Levy

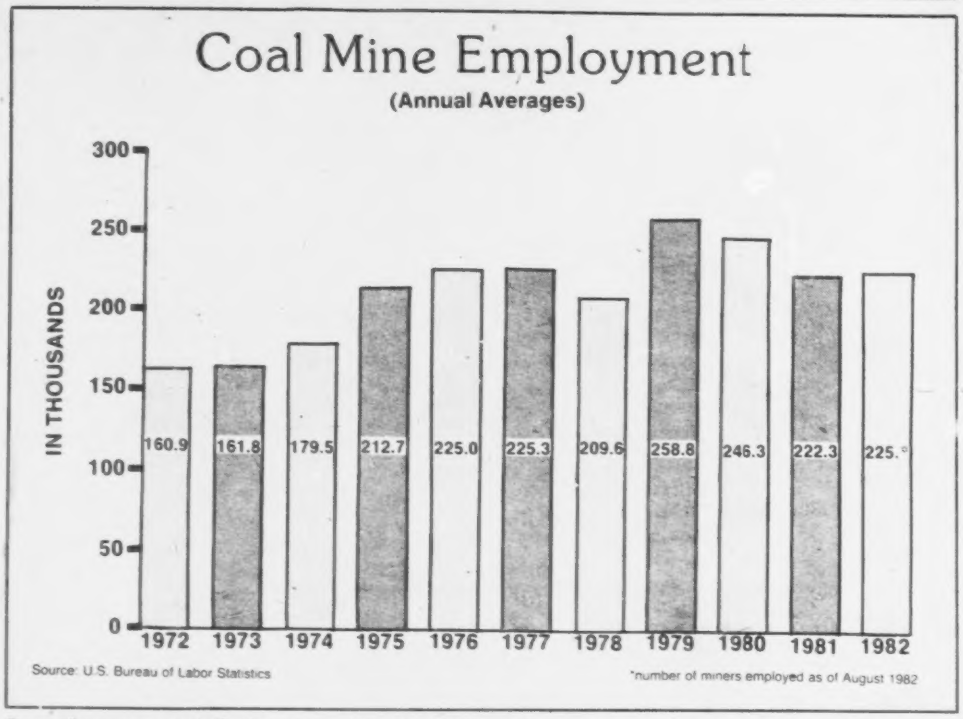
McAteer suggests a similar levy today could benefit both mine workers and the industry, returning to the industry the dividends of a more highly skilled mine work force and former miners retrained in new skills that would attract new industry to share the area's tax burden.

The European coal industry has 15 percent to 20 percent of its employees training for new coal mining or alternative jobs at any one time. About 3 percent to 6 percent of U.S. coal miners undergo retraining.

McAteer says pressure could build in the coal fields to include increased job-protection benefits in the next wage agreement with the Bituminous Coal Operators in 1984. Eralp foresees that as a disaster.

"They (unions) can remain in the fight for money," Eralp says, "but the more they try to protect their jobs, the more they'll lose both jobs and money."

One coal industry source sees possible pressure for a job-protection push, but says the union might be willing to settle for a smaller wage increase in return for coal-company contributions to an increased jobless-benefits funds. "But that has to come from the other (union) side," he says.



Coal Mine Employment

(Annual Averages)

Source: U.S. Bureau of Labor Statistics

*number of miners employed as of August 1982

A Youth Factor

The intensity of that pressure depends on the makeup of the work force. If it remains relatively young with a median age in the mid-20s, then "a lot of those fellows might be more concerned with what's in the weekly pay envelope," the industry source says. "It's when you're older that you become concerned with compensation and retirement benefits."

The job-protection issue will intensify in all labor relations during the 1980s, Eralp says, as more industries are forced to enhance productivity to maintain competitiveness in world markets.

He rates UMW resistance to productivity and technological improvement "somewhere in the middle category" among unions. Worst are newspaper pressmen. Best are auto workers.

Worrying McAteer is a recession so virulent that miners drift to other regions despite the lack of jobs, eroding that hard core of middle-level, experienced workers who will be needed to run the more complex technology.

Movement has not happened on any thing like a massive scale so far; one office in the UMW's western district has recieved only 30 or 40 inquiries about work from miners moving from the East since spring.

One-Time Extravaganza

While there might be a shortage of experienced Appalachian miners in the middle of this decade, McAteer sees no long-term shift of production from the East. The bulk of the coal remains in that area. The phenomenal build-up of western mines during the 1970s is a one-time extravaganza as operators have followed the familiar pattern of extracting the cheapest coal. But like the British industry returning to Wales and the German industry returning to Essen, so too must the U.S. industry return to Appalachia's deep shafts.

"You'll never again see anything like Montana increasing its production from 1 million tons in 1972 to 30 million tons a few years later," McAteer says. "The capacity isn't there for that continued leaping expansion."

Former Deep Miners Proposing Surface Project near Seattle

BLACK DIAMOND, Wash. — An approximate $10 million investment by a group of local businessmen is expected to bring a $2 million coal mining payroll and some 90 new jobs to this small King County community near Seattle.

But the group will bring more than financing to the surface mining project that will have an annual 250,000-ton production capacity. All of the partners worked in the area's coal mines when they were younger. The group's president, David J. Morris, now a Denver resident but originally a Black Diamond native, is also a mining engineer.

Forty years ago, underground mines in the area produced some 1 million tons of coal yearly for Pacific Coast Coal Co. It will again become a producing company when the new mine opens, probably early in 1983.

Current mining activity in the area is confined to Palmer Coking Coal Co. which has a minimal surface operation producing 15,000 tons yearly. Several Palmer partners are among the new venture's backers, but the company itself will not be connected with the new mine.

Barry Kombol, an attorney and secretary of the group, told Coal Industry News that two years of exploration resulted in the decision to develop the new mine as two parallel open pits to tap the estimated 4 million to 5 million-ton reserve. He said the idea of opening a new mine has been discussed since 1974, when the area's last deep mine closed.

Conceding that no contracts have been signed, Kombol said that the group expects a number of state institutions to eventually become customers. Other potential customers include cement manufacturers and "some big industries," added Mine Superintendent Mark Abernathy.

He said that present plans call for mining some 10 to 15 acres a year, with an approximate 20 years of mine life based on an annual 250,000-ton projection. The coal to be mined "is some of the best available," he maintained.

Coal mining, which began in the area more than a century ago, has provided the best-known local attraction: The Flaming Geyser. An abandoned coal exploration hole drilled in 1911 continues to leak methane-charged water which, when lit, flares into a 12 to 15-foot flame.

— T.W. Kienien

Colorado Mineral Waters are Considered Possible Western Transportation Medium

(Continued from page 1)

share in the $2 billion to $3 billion project.

It could also be as small as $70 million, the amount that Interior saline water transport manager Michael J. Clinton says some have estimated would be the cost of installing the pipes of the system. That's even cheaper than the $280 million projection for building an evaporative desliniztion unit.

"My fondest dream," Clinton says, "is that we could cut the red tape for industry and they take the salt water off our hands at no cost."

Much of the red tape for the project is wrapped around western water issues. The project must satisfy western laws that require replacement of any water transported out of the states.

Grace will do that from rights it owns to surface water from the Yampa River, itself a tributary to the Colorado. Charles Margolf, Grace's vice president for western coal development, says that the fresh water replacing the Colorado's saline water will come from a reservoir that will be built on a tributary to the Yampa.

Encapsulated coal will flow in this fresh water from near the mine site to Glenwood Springs, where coal bags will slip through a piping network into the saline water drawn from the mineral springs.

Key to the success of the contract is long-term contracts for all 10 million to 15 million tons that the pipleline can carry. Margolf says 2 million tons might be enough to get the project going. Unlike a coal slurry pipeline that must maintain a constant ratio of coal to water, bagged coal can be added as demand dictates.

Margolf says the interest is already out there; one Southwest utility has expressed the possibility of taking all of the pipeline's planned capacity.

Margolf says Aquatrain has talked to "40 or 50" potential joint venture partners, including one railroad which he declined to name. Potential partners had better include coal producers, Margolf says. Grace's Colorado mines cannot by themselves fill the pipeline's full planned capacity.

The Grace vice president doubts a fight from the railroads. The system would ship coal to markets and ports they cannot now serve, so no threat is posed to their existing traffic.

"States Have Stake"

Margolf also doubts federal eminent domain legislaion to condemn property for rights of way — like that now pending in Congress for coal slurry pipelines — would be needed. As he understands it, "the states have a large stake in reducing the Colorado's salinity. And those states already possess the right of eminent domain for public purposes."

Margolf hopes encapsulated coal could cut the $28 per ton cost of coal delivered by rail to Long Beach, Calif., for instance, by $10. "But it's too early to know if that's break-even or even realistic," he admits.

Energy Transportation Systems Inc.'s planned pipeline from Gillette, Wyo., to Arkansas is also about a $3 billion project, but is envisioned as moving twice the coal of Aquatrain.

Margolf concedes his per ton unit costs might be higher, but the Grace project could also likely include sophisticated prep plants that would produce a fuel much higher in BTUs per ton than ETSI's Powder River coal and virtually free of ash and sulfur content. A higher price could be commanded for this premium fuel.

A high degree of coal c might also open the door coal-fired electrical gen California, something vi possible presently with tough air-quality stan

Steve Marcy

FACTS & FIGURES

	WEEKLY 19/9/82	10/2/82	10/10/81
Production			
Bituminous, recent week	16,186	16,267	18,710
Bituminous, year to date	**641,626**	**607,151**	—
Anthracite, recent week	89	123	109
Anthracite, year to date	**4,774**	**4,211**	—
Railroad carloadings			
Bituminous, recent week	111,183	119,236	133,640
Bituminous, year to date	**4,451,617**	**4,205,773**	—
Anthracite, recent week	137	296	444
Anthracite, year to date	**8,274**	**13,832**	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 10/9/82	10/2/82	10/10/81
Production by states, bituminous and lignite			
Eastern			
Alabama	523	511	656
Georgia	—	—	—
Illinois	1,204	1,229	1,604
Indiana	592	605	561
Kentucky:			
Eastern	2,132	2,175	2,741
Western	730	832	1,184
Total, Ky.	**2,862**	**3,007**	**3,925**
Maryland	79	81	74
Ohio	750	775	560
Pennsylvania	1,520	1,475	2,088
Tennessee	158	189	310
Virginia	770	794	1,180
West Virginia	2,526	2,421	2,680
Total, Eastern	**10,984**	**11,087**	**13,638**
Western			
Alaska	16	15	12
Arizona	217	208	215
Arkansas	4	4	10
Colorado	375	378	512
Iowa	12	11	15
Kansas	18	15	3
Missouri	99	104	119
Montana	553	643	710
New Mexico	345	340	340
North Dakota	365	345	295
Oklahoma	107	106	41
Texas	651	624	610
Utah	316	284	170
Washington	91	98	90
Wyoming	2,033	2,005	1,930
Total Western	**5,202**	**5,180**	**5,072**
Total, United States	**16,186**	**16,267**	**18,710**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 8/82	7/82	8/81
Coal Labor			
All employees			
Coal Mining	225.0	233.6	250.6
Bituminous & Lignite	221.7	230.3	247.0
Production employees			
Coal mining	182.5	190.5	207.0
Bituminous & Lignite	179.5	187.6	203.8
Hours, weekly average			
Coal mining	39.4	—	42.0
Bituminous & Lignite	39.4	—	42.0
Earnings, hourly average			
Coal mining	12.89	—	12.09
Bituminous & Lignite	12.93	—	12.13
Earnings, weekly average			
Coal mining	507.87	503.24	507.78
Bituminous & Lignite	509.44	503.49	509.46

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 7/82	6/82	7/81
Bituminous and Lignite Consumption			
Electric power utilities	55,206	47,330	56,042
Coal user stocks of coal			
Electric power utilities	164,687	172,819	129,684
Anthracite Consumption			
Electric power utilities	108	94	102
Coal user stocks of coal			
Electric power utilities	5,658	5,603	5,269

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	7/82	6/82	7/81
Coal User Production			
Major district users:			
Electric utilities (Mil Kwh.)			
Monthly	110,458	95,308	112,854

Price Indexes	MONTHLY 9/82	8/82	5/82
Bituminous Coal and Lignite	105.1	104.8	103.8
Primary Products	104.2	104.1	104.1
Prepared	104.7	104.4	103.4
Steam electric utilities	105.6	105.0	103.8
North Appalachia	104.2	104.8	102.3
Spot	116.4	98.9	93.5
Contract	102.5	105.7	103.6
South Appalachia			
Contract	98.7	98.0	98.1
Midwest	109.3	109.4	108.3
Contract	110.7	110.7	109.5
West	109.0	105.9	105.0
Contract	109.0	105.9	105.0
Metallurgical coke producer	101.8	102.7	101.3
High volatile	100.1	100.8	101.4
North Appalachia	97.2	98.8	99.7
Contract	97.2	98.9	99.8
South Appalachia			
Contract	101.7	102.0	102.5
West	100.7	100.1	99.4
Low volatile	103.5	105.7	101.3
North Appalachia			
Contract	104.7	103.8	98.7
South Appalachia			
Contract	103.5	107.3	102.7
All other industrial	100.3	101.8	101.7
North Appalachia			
Contract	N.A.	90.0	97.5
Midwest			
Contract	106.0	106.0	102.0
Unprepared (raw)	102.6	103.1	106.4
For preparation at other establishments	N.A.	N.A.	N.A.
For use without preparation	N.A.	N.A.	N.A.
Anthracite	153.8	153.8	154.4
Primary products	152.5	152.5	152.9
Prepared anthracite shipped	154.5	154.5	155.1
Stove	151.1	151.1	151.3
Chestnut	150.9	150.9	150.9
Pea	160.3	160.3	163.1
Buckwheat no. 1	149.0	149.0	149.0
Buckwheat no. 2	160.8	160.8	162.9
Buckwheat no. 4	143.9	143.9	143.9
Buckwheat no. 5	N.A.	112.0	112.0

N.A.—Not Available

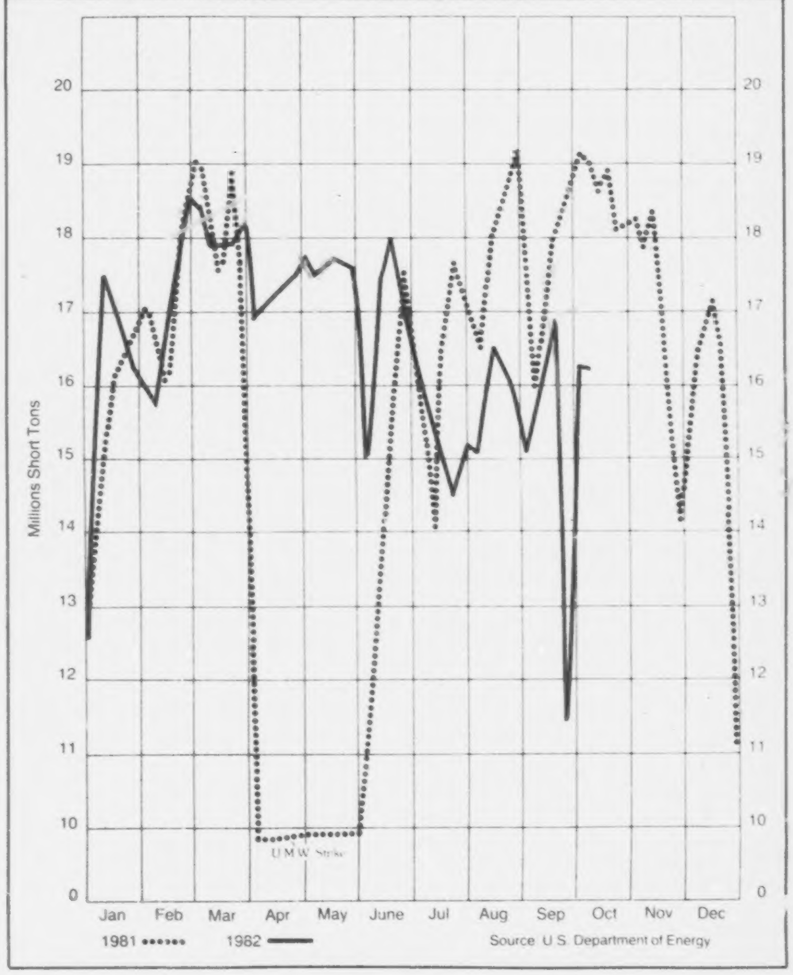
Source: Bureau of Labor Statistics, Dept. of Labor.

Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

Domestic

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



Source: U.S. Department of Energy

U.S. BITUMINOUS AND LIGNITE production for the week ending Oct. 9 was an estimated 16.2 million short tons, 81,000 short tons or 0.5 percent below the previous week's level. Production was also below the 18.7 million short tons posted the same week last year, according to the Department of Energy's Energy Information Administration. But EIA reported that production from Jan. 1 through Oct. 9, 1982, totaled 641.6 million short tons — 5.7 percent above cumulative production in the similar 1981 period.

Exports & Imports

	Quantity in short tons 8/82	7/82	8/81	Dollar Value 8/82	7/82	8/81	Avg. Value per short ton 8/82	7/82	8/81
Bituminous coal, low volatile blends to make coke No. 5213110									
Belgium	426,626	440,308	315,125	24,524,221	23,488,243	17,988,659	57.48	53.25	57.08
Brazil	460,590	364,123	263,609	21,214,697	17,328,880	17,008,726	46.05	47.59	64.52
Canada	301,872	515,529	623,250	20,010,990	32,670,593	37,295,598	66.28	53.86	60.93
France	110,834	351,564	673,880	7,046,840	18,938,220	37,710,920	63.58	53.86	55.96
Germany, F.R. (West)	22	—	173,924	1,200	—	10,096,345	54.54	—	58.05
Italy	499,224	708,007	726,781	23,519,483	36,398,937	41,942,336	47.11	51.41	57.71
Japan	1,546,292	1,914,694	2,020,573	91,817,191	111,855,656	116,604,337	59.37	58.41	57.71
Netherlands	147,331	288,146	253,674	8,762,671	17,129,211	10,840,164	59.47	59.44	42.73
Spain	411,103	194,118	435,358	18,853,902	10,079,947	25,822,518	127.96	40.99	59.31
Sweden	134,303	151,737	60,944	8,283,171	8,299,018	3,652,513	61.67	54.69	57.07
United Kingdom	213,012	99,251	—	13,569,625	113,520	—	63.70	56.25	—
Yugoslavia	49,252	35,962	153,812	2,600,908	2,348,988	8,638,599	52.80	65.31	56.16
Total, above	4,300,461	5,063,439	5,819,146	216,710,018	284,080,562	333,832,686	50.39	56.10	57.37
Total, other nations	292,499	943,805	728,866	39,085,537	48,592,123	42,742,316	133.62	51.48	58.64
Total, all nations	**4,592,960**	**6,007,244**	**6,548,012**	**255,795,555**	**332,672,685**	**376,575,002**	**55.69**	**54.84**	**57.51**

	Quantity in short tons 8/82	7/82	8/81	Dollar Value 8/82	7/82	8/81	Avg. Value per short ton 8/82	7/82	8/81
Bituminous coal, others No. 5213120									
Belgium	46,742	185,985	—	1,872,469	7,302,695	—	39.09	39.26	—
Canada	1,206,065	1,640,606	206,759	60,658,124	83,425,275	62,346,600	50.29	50.85	46.85
China, Taiwan	65,438	257,125	192,122	2,690,412	11,404,364	7,738,478	22.30	44.35	40.28
Denmark	125,983	296,062	218,767	6,275,563	15,058,028	9,942,180	49.81	50.86	45.45
Finland	106,445	79,523	136,326	4,995,302	3,507,667	6,972,443	46.92	44.10	51.15
France	461,452	257,702	435,179	21,291,329	11,724,139	17,647,530	46.13	45.49	40.55
Germany, F.R. (West)	95,199	123,123	261,335	5,910,319	6,870,828	12,701,846	62.08	55.80	48.60
Italy	164,506	259,954	206,759	9,545,807	12,505,621	9,921,083	58.02	48.10	47.98
Japan	178,959	144,027	211,655	9,476,954	12,505,621	11,285,972	52.95	52.73	53.32
Netherlands	423,425	261,466	714,209	20,833,595	12,207,200	37,044,974	49.20	46.68	51.87
Spain	200,817	167,018	392,053	9,411,329	8,329,467	17,060,081	46.86	49.87	43.51
Total, above	3,075,031	3,672,591	4,131,749	152,916,203	179,930,941	194,603,838	49.72	48.99	47.10
Total, other nations	182,917	6,307	354,251	10,045,818	304,004	15,724,550	54.92	48.28	44.39
Total, all nations	**3,257,948**	**3,678,898**	**4,486,000**	**162,962,021**	**180,235,443**	**210,328,388**	**50.01**	**48.99**	**46.89**
Lignite No. 5213130									
Total, all nations	**5,313**	**5,022**	**3,701**	**316,275**	**673,944**	**1,011,007**	**59.52**	**51.78**	**125.98**
Coal coke for use as fuel No. 5213148									
Total, all nations	**55,023**	**123,818**	**53,827**	**4,995,532**	**6,411,373**	**3,482,014**	**90.78**	**51.78**	**64.69**
Petroleum coke, except calcined No. 5213150									
Canada	2,888	40,597	—	106,787	2,053,250	—	36.97	50.57	—
Japan	288,270	101,991	182,294	13,839,833	4,794,368	8,618,078	48.00	47.00	47.28
Netherlands	97,442	160,576	—	5,321,550	8,651,176	—	54.61	53.87	—
Total, above	388,600	303,164	234,209	19,268,170	15,498,794	11,969,494	49.58	51.12	51.11
Total, other nations	343,899	476,762	452,613	12,687,952	18,276,000	22,919,175	36.89	38.33	48.62
Total, all nations	**732,499**	**779,926**	**686,822**	**31,956,122**	**33,774,794**	**34,888,669**	**43.62**	**43.30**	**50.80**
Compositions for fuel No. 5213160									
Total, all nations	**813**	**63**	**41**	**85,524**	**24,089**	**17,647**	**105.19**	**382.36**	**430.17**
Anthracite No. 5213170									
Korea Rep. (South)	72,788	38,608	190,770	2,327,537	1,256,500	6,212,769	31.97	32.54	32.57
Total, all nations	**86,339**	**105,697**	**190,770**	**3,485,349**	**6,696,122**	**6,212,769**	**40.36**	**63.35**	**32.57**